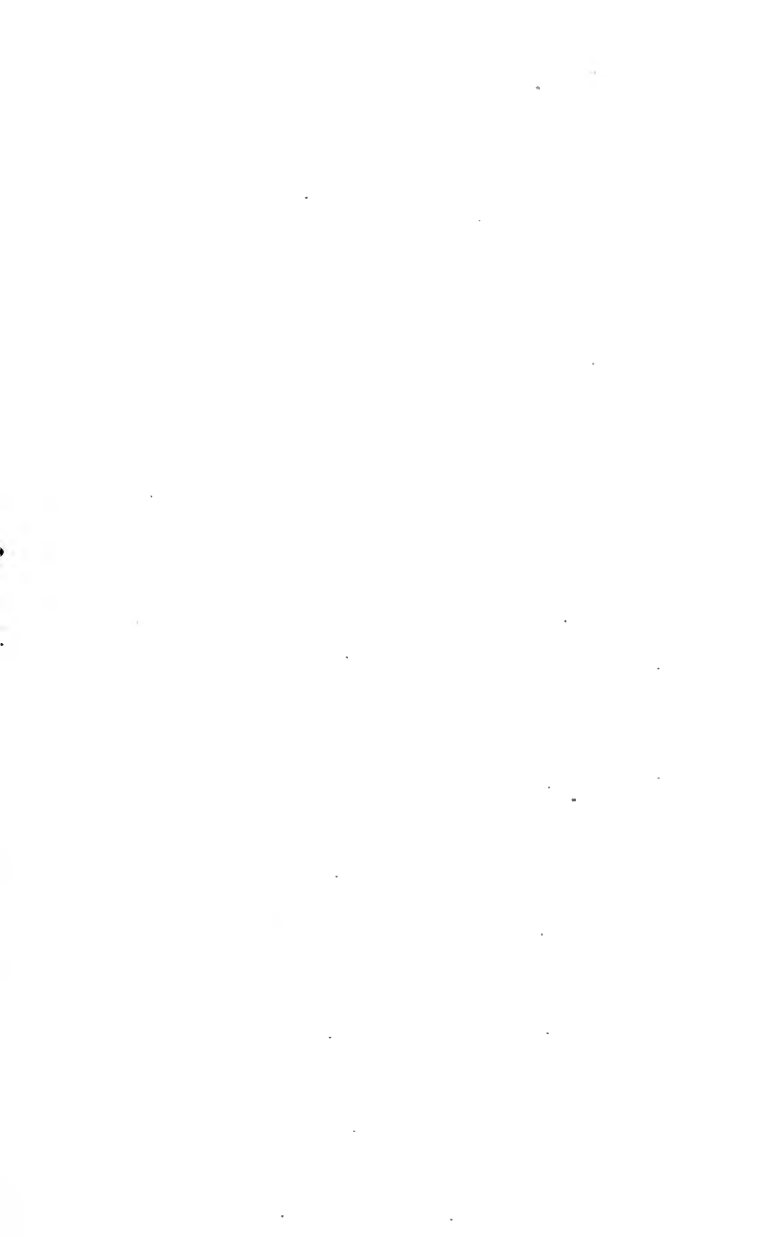


# THE INDUSTRIAL STATE

M.D. STOCKS, B.Sc.

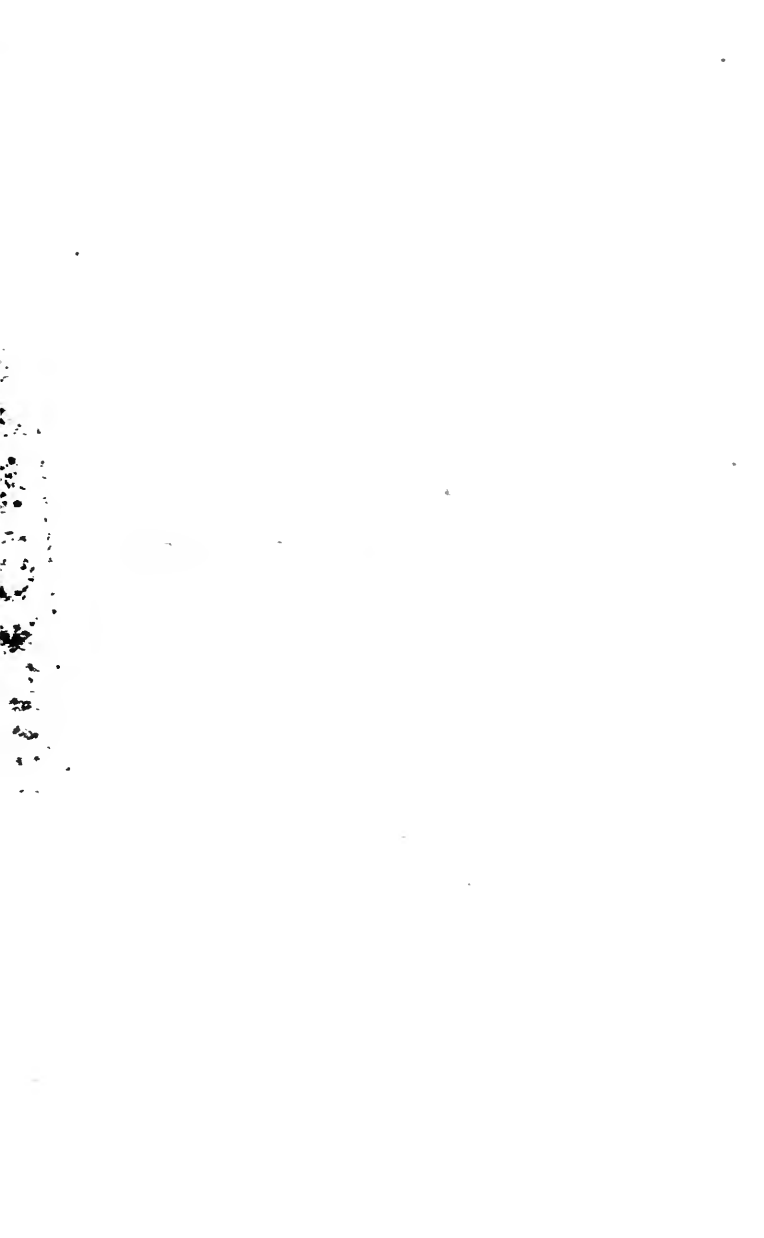




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# THE INDUSTRIAL STATE



# THE INDUSTRIAL STATE

A SOCIAL AND ECONOMIC HISTORY  
OF ENGLAND

BY

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## Continuation Manuals

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Vice-Principal of the University of  
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## GENERAL INTRODUCTION

THE establishment by the State of a system of compulsory 'continuation' of education beyond the stage reached in elementary schools is a step whose significance the country has hardly begun to realise. Continuation schooling is distinguished alike from primary and secondary by the immensely important fact that it is intended for young citizens who are at the same time earning their livelihood. This in some ways is bound to have, and in others it ought to have, a most far-reaching effect on the character of the education provided. Compulsion of those who are no longer young children is sure to break down in a democracy unless they themselves can be really and continuously interested. Guidance and advice there must be on the one side; but on the other there must be a degree of freedom of choice such as has never before been furnished by educational machinery. This will be true from the first, even while the limit of compulsion is left at the age of sixteen; it will be far more true when the age is raised to eighteen. To secure the willing attendance of students the one thing essential will be to persuade them that the courses of instruction have some actual bearing upon life. This does not mean that they need all be obviously utilitarian—'bread and butter studies': though we can hardly imagine a time when such studies will not

form a large part of the educational demand, and a quite necessary part. But men and women live not 'by bread alone': they live also, and in the noblest sense, 'by admiration, hope and love.' To awaken that admiration, hope and love for the best things, to furnish nourishment upon which it can feed, is the the high function to which the Continuation School is called: without priggishness, let us hope, but also clear-sightedly and sincerely.

The series of books of which the present volume forms one proposes to touch one part only of life—the economic. 'Only' is added as a caution not always superfluous: yet of course no one can fail to recognise how fundamental for individuals and for society are the ways in which they provide for themselves their 'revenue or subsistence.' And so the books of this series will range from works which frankly aim at providing the definite knowledge which young men and women will need in commercial occupations to others which set before them the general structure of contemporary economic life and the course of development by which industrial conditions have come to be what they are. And concerning these latter this much must be added. Just about a century ago, Political Economy entered into a phase which, in effect and for the great body of the people, was profoundly pessimistic. It taught, or was understood to teach, that industrial conditions were brought about by 'laws' as independent of individual human aspirations as the law of gravity. That phase has passed away. It is true that we see now that human character and therefore social organisation are both the results of age-long evolution; and that there are

deep-seated forces which it would be disastrous to disregard. But even the most circumspect scientific observers now concede that, within limits far wider than was supposed a hundred years ago, mankind is master of its fate. And these books are intended for those to whom the call of citizenship does not come in vain; those who want so to live and work as to preserve the gains of civilisation, and yet to help the world, and their country as nearest to them, to a better future.

WILLIAM ASHLEY.

*May Day, 1920.*

THIS volume, by a competent historian, gives an outline of the evolution of the industrial world in the midst of which we live, from the simpler and very different conditions of earlier centuries. It will serve three purposes. It will widen and enrich our knowledge of the past; it will give us a more realising sense of the characteristics of the present, and thereby make it intellectually more interesting; and it will put us into a better position to confront, with reasonable judgment, the problems of the future.

WILLIAM ASHLEY.



# CONTENTS

## CHAPTER I.—THE GREAT SOCIETY

- The meaning of the 'Great Society'—Its wonders and its dangers: (1) Its great productivity; (2) Its mass of capital; (3) Its minute division of labour, communication, and exchange; (4) Its imperfections—The problem of control—Its development: (1) The household stage of industry; (2) The handicraft stage of industry; (3) The domestic stage of industry; (4) The factory stage of industry 15

## CHAPTER II.—SOME ASPECTS OF MEDIÆVAL LIFE

- The Middle Ages as starting point: (1) The size of the population; (2) Local isolation; The village; The town; (3) The influence of the Church; The regulation of prices; The control of profiteering; The prohibition of usury; (4) The insecurity of human life: (a) robbery and assault; (b) famine; (c) fire; (d) pestilence; (e) little wars; (5) stagnation 29

## CHAPTER III.—THE MANOR AND THE GILD

- The feudal system—The manor—The houses of the manor—the open fields of the manor—Manorial methods of cultivation—Their defects—The cultivators of the manor: (a) the serfs; (b) the free tenants; (c) the specialists—The manor and the modern village compared—The town—The significance of its charter—Markets and fairs—The craftsmen and their guilds—The policy of the guilds—The guild members—The social life of the guilds—Mediæval and modern industry compared 51

## CHAPTER IV.—THE CLOSE OF THE MIDDLE AGES

- The process of change in manorial life—The commutation of labour services for money—The conditions

for commutation: (a) money; (b) the production of a surplus and the existence of a market—The Black Death, 1348—Labour scarcity and its results—The Ordinance of Labourers, 1349—Labour unrest and the Peasants' Revolt, 1381—Disappearance of labour services—The increase of the free tenants—Security of tenure—The process of change in town life—The coming of the middlemen—Signs of change in gild life: (a) the organisation of the liverymen; (b) the organisation of the journeymen; (c) the beginning of government control; (d) the loss of religious funds—The expansion of the cloth industry—The domestic system

71

#### CHAPTER V.—THE BIRTH OF A SEA POWER

England and the world, to-day, and in the eleventh century—The meaning of *passive* foreign trade—The Italians and the Germans—The regulation of foreign trade—The Merchants of the Staple—The growth of an *active* foreign trade—The significance of the cloth industry—Edward III. and the Flemish immigrants—The rise of the Merchant Adventurers, and the triumph of English cloth—Geographical discovery—The search for a sea route to India—The voyage of Bartholomew Diaz, 1486—The voyage of Christopher Columbus, 1492—The voyage of John Cabot, 1497—The Arctic voyages, 1553 and 1576—England and Spain—The new international values

91

#### CHAPTER VI.—THE AGE OF PATERNALISM

England as a nation: (a) the strength of the Tudor government; (b) the decay of Papal power; (c) the stimulus of international rivalry—The economic problems of Tudor England—The beginning of a Mercantile System: (a) the encouragement of shipping; (b) the encouragement of industry—Internal policy—The Statute of Artificers, 1563—The agrarian revolution—The enclosures—The Enclosure Acts—Farming for profit—The problem

# CONTENTS

II

of destitution—Old methods of relief—New methods of relief—The Elizabethan Poor Law, 1601—The meaning of paternal government

106

## CHAPTER VII.—THE NEW FINANCE

Seventeenth-century politics—The economic background—The revolt of the middle classes—The decay of internal regulation—The stiffening of commercial regulation—The rise of the chartered companies for trade and colonisation—The Navigation Acts—The balance of trade—The accumulation of capital and the growth of joint stock enterprise—The need for banks—The rise of the goldsmith bankers—Government finance—The Bank of England, 1694—London's new dignity

127

## CHAPTER VIII.—THE EVE OF GREAT CHANGES

The importance of the country-side—Rural industry—The poverty of the northern counties—Paralysis of the iron industry—The new parliamentary power—Chaos in local government—The unpaid parish officers—The new traffic problem and the old parish roads—Turnpike Trusts to the rescue—The age of economic opportunity

142

## CHAPTER IX.—NECESSITY AND INVENTION

The smelting of iron with coal, 1735—The opening up of the Scottish iron and coal fields—The coming of the steam engine—Inventions in the textile industry—Pressure on the spinners—The work of Arkwright, Hargreaves, and Crompton—Pressure on the weavers—Cartwright's power loom, 1785—The new concentration of industry—The transport inventions—Telford and Macadam—The first canal, 1761—Era of canal construction, 1760-1830—The improvement of agriculture—The work of Townsend, Bakewell, and Young—The necessity for enclosure—The hardships of enclosure—The passing of the yeoman

156

## CHAPTER X.—THE GREAT SOCIETY COMES OF AGE

The Industrial Revolution—New opportunities for happiness and suffering—The re-distribution of population—New importance of the northern counties and South Wales—The increase of population—Possible causes of increase—Reorganisation of home life—The factory, and the divorce of industry from agriculture—Employer and employed—The problem of Labour and Capital—Development of the problem—The new dependence of the wage-earner 177

## CHAPTER XI.—THE ATTEMPT TO UNDERSTAND

Political Economy—*The Wealth of Nations* and its teaching—Ruskin's criticism—Public opinion and Political Economy—*Laissez faire*—The revolt of the child-lovers—Parish apprentices, and their sufferings in the factory—The first Factory Act, 1802—Robert Owen, and his work at New Lanark—Human welfare and business profits—The second Factory Act, 1819—The third Factory Act, 1833—Light on the coal mines—The Royal Commission of 1840-2—The first Coal Mines Act, 1842—A vindication of Political Economy 195

## CHAPTER XII.—RECONSTRUCTION

The beginnings of reconstruction—The problem of the Poor Law—The growth of a deterrent system, and its abandonment, 1782—The meeting at Speenhamland, 1795 and its consequences—The Royal Commission, 1832-4 and its recommendations—The Poor Law Amendment Act, 1834—The 'Pinch-pauper Triumvirate,' 1834-47—The genius of Edwin Chadwick—Utilitarianism—The problem of dirt and disease—Official inquiries and their revelations—The first Public Health Act, 1848—The pensioning of Chadwick—Later developments in Public Health—A bird's-eye view of English Local Government—The new democracy and the new officialdom—'Confusion worse confounded' 218

## CHAPTER XIII.—RISE OF THE TRADE UNIONS

The new capitalism and the old labour laws—The Combination Act of 1799—The tailor of Charing Cross—The repeal of the Combination Laws, 1824—The rise of the *trades unions*—The persecution of the Dorset labourers, 1834, and the collapse of *trades unionism*—The 'New Unionism'—Birth of the A.S.F., 1851—Industrial co-operation—The Rochdale Pioneers, 1844—Birth of the C.W.S., 1864—The social aspect of co-operation—A period of storm and stress—The Sheffield outrages, 1866—A legal blow, 1867—The Trade Union Acts of 1871 and 1875—The growth of trade union membership and the awakening of the unskilled worker—The Franchise Act of 1867 and the growth of the Parliamentary Labour Party—The return of a revolutionary spirit—The meaning of Socialism 240

## CHAPTER XIV.—THE WORKSHOP AND THE WORLD

International division of labour—Its advantages and disadvantages—From self-sufficiency to world dependence—The battle for free trade—War and the food problem, 1793-1815—The Corn Law of 1815—Ricardo's interpretation—The revolt of the manufacturers—Free trade in corn, 1846—Free trade all round, 1846-60—The transport inventions—The opening of the first railway, 1825—The triumph of the locomotive—The first steamship, 1802—The passing of the sailing ship—Large scale business and the evolution of John Smith—Combinations and trusts—The Big Five—Great Britain, the universal provider and the world's creditor—The widening of the great net 263

## CHAPTER XV.—THE NEW AGE OF PATERNALISM

From interference to *laissez faire*—The extravagance of *laissez faire* and the mystification of the economists—Representative government and its departmental officials—The beginning of factory legislation

—The return of wage regulation—The Trade Boards Act, 1909—The spread of wage regulation—The growth of the public services—National health and national education : (1) Education and *laissez faire*; (2) Education and state encouragement; (3) Education and state provision—The father or the brother?

288

# CHAPTER XVI.—QUO VADIS?

The heritage of the twentieth century : (a) the problem of labour and capital; (b) the problem of international relations; (c) the problem of citizenship 304

## CHAPTER I

### THE GREAT SOCIETY

We are afraid of the blind forces to which we used so willingly to surrender ourselves. We feel that we must reconsider the basis of our organised life because, without reconsideration, we have no chance of controlling it. And so behind the momentary ingenuities and party phrases of our statesmen we can detect the straining effort to comprehend while there is yet time.—GRAHAM WALLAS.

ON the eve of the European war Professor Graham Wallas published a book called *The Great Society*. By the Great Society he does not mean any *particular* society, nor does he mean the society of any *particular* country. He means the whole system of life under which those nations which we call 'civilised' live to-day—a system of life very far removed from what is generally called 'the simple life.' Indeed, for most of us it is a very elaborate life. We want, or imagine that we want, a whole host of things which our forefathers never dreamed of wanting; and we have means for satisfying those wants which our forefathers would have regarded as rank black magic. As a result, the majority of us, in this country at least, have become dependent on big industries and are obliged to live herded together in overcrowded smoky town areas which perhaps a hundred and fifty years ago were green open country.

*The meaning of the 'Great Society.'*

In his first chapter Professor Wallas speaks of the wonder and the danger of this elaborate organisation of industry and commerce and finance upon which we have become dependent. *Its wonders and its dangers.* He shows us that it is wonderful because it enables us to turn out masses of wealth by conquering and harnessing the powers of nature—steam, electricity, running water—to our machines, forcing them to do our most laborious work for us. He shows us that it is dangerous because we do not really and thoroughly understand it. We are in the position of a man who has somehow managed to create a powerful and intricate mechanism which he is not at all sure of being able to control.

Let us then look a little more closely at this Great Society which dominates our lives, and notice some of its main features—some of those features, for instance, which make it so very different from the kind of society under which our own forefathers lived in the days when London was a little walled city, and Westminster a rather marshy suburb.

In the *first* place we must notice that our Great Society is enormously *productive*. If we take our own country—the United Kingdom—alone, we *1. Its great productivity.* find that its forty-six million or so of inhabitants are better off in the matter of material wealth than their forefathers have ever been. Between them they are somehow managing to turn out a surprising amount of wealth, wealth to the tune of something like three thousand million pounds worth a year, wealth enough to keep them all from starving, wealth enough to make some of



them fabulously rich. Why, we may ask, is the labour of these forty-six million of people—or rather of so many of them as actually work with hand or brain—so much more productive than the labour of past generations? The answer is suggested by a second and third remarkable feature of the Great Society.

The *second* feature is the fact that our Great Society is possessed of an enormous mass of *capital*, and this is one of the secrets of its productivity.

By capital, of course, we mean nothing <sup>2. Its mass of capital.</sup> more nor less than an accumulation of goods. They may be accumulated in the form of tools, or materials, or buildings, which can be used by those who labour to make their labour more productive. Or they may be accumulated by the individual in the form of money with which tools or materials or buildings can be purchased. And the better a society is supplied with capital, the more productive its labour will be.

It is easy to realise that a shipwrecked sailor will be infinitely better off on his desert island if some fish-hooks and a spade, a knife and a few tins of bully-beef have been shipwrecked along with him. It is just as easy to realise that our forty-six million or so of countrymen would be infinitely worse off if they did not happen to possess buildings and machines, roads and railways, stocks of food and raw material, and all the other instruments of production which have been accumulated and handed down to us by past generations. Indeed, so great is the importance of capital, if man is not to lead a miserable and precarious existence grubbing with his bare nails for edible roots,

that the first thing to be done when a new country is opened up, is to export capital to that country in the form of machines and railway lines, and all the multitude of other things that it will have to accumulate before men can set to work to make proper use of its natural resources.

And it is because our Great Society is richer in capital than ever before (or was until the war destroyed a part of its wealth) that the labour of its people is so extraordinarily productive. It is not merely that it possesses so great a quantity of capital; the quality of that which it possesses is so wonderfully efficient. Its network of railways and telephones, its wireless installations, its intricate scientific instruments, its machines which do so quickly and so powerfully what the human hand once did so slowly and so laboriously—all these would be a constant source of pride and wonder to us if we were not so accustomed to them that we take them for granted. Let us then bear in mind, for future use, this meaning of the word 'capital.' It is a meaning which will cover any instrument of production, from the modern railway company's permanent way to the first bone fish-hook or the first stone arrow-head of our hairy British forefathers. It is a meaning which we sometimes lose sight of in everyday conversation when we use the word 'capital' to mean not the actual instruments of production but the people who happen at the present time to own them.

A *third* feature of our Great Society, and one which is responsible for much of its bewildering complexity, is what political economists call *the division of labour*.

This third feature is as much a cause of our society's great productivity as the second. Obviously, if every family in the United Kingdom were dependent upon its own isolated efforts to supply its own varying needs, life would be a difficult and at best an uncomfortable business. Even if we imagine a rough division of labour between men, women, and children within the family group, that family will not get very far in the direction of material comfort so long as its father is responsible for all the house-building and engineering, its mother for all the spinning, weaving, doctoring, and dentistry.

We know that to-day it is possible to secure an infinite economy of material and of human skill by the division of labour and specialisation. By specialisation we mean the devotion of a man or a place or a machine to one particular kind of job, the job for which he or it is best suited. There are, of course, degrees of specialisation. The doctor is a specialised worker because he devotes himself entirely to the study of the human body, and relies upon other people to grow his food, make his bed, weave his clothes. The oculist is a still more highly specialised worker because he devotes himself entirely to the study of the human eye, and relies upon other doctors to look after the human stomach and the human brain and the human nose. At the present time we find a very high degree of specialisation in most departments of life. We see the specialisation of one locality in fruit-growing, of another in cotton-spinning; the specialisation of one part of the world in tea-planting, of another in sheep-rearing; the

specialisation of one man in tool-setting, of another in surgery; we see, in short, the devotion, as far as possible, of persons and places to the kind of work for which they are best suited by nature or training. And such specialisation as this causes men and women at opposite ends of the world to co-operate in the production of wealth; drawn together, not by brotherly love, but simply by the knowledge that in working together and relying upon one another, all may become richer because all may have a better chance of specialising.

When we come to examine this third feature more closely, we find that it is a necessary condition of the second; for obviously the best use of capital and the perfection of machinery, cannot be attained without this specialisation and division of labour. So long, for example, as the mother is responsible for the dentistry of her own family as part of her general household duties, it will not pay her to set up a well-equipped dentist's chair. With reasonable luck she would only use it once in two or three years. Not until an individual specialises in dentistry, gives his whole time to it, and performs the dentistry not merely of his own family but of a whole district, will it be worth while for him to acquire the fullest training and set up a complete dental apparatus.

There are, however, *two important conditions* which are necessary for the minute specialisation which we see around us to-day. In the first place there must be facilities for *communication and transport*; in the second place there must be facilities for *exchange*. To begin with communication: it is of little use for a man

*Communi-  
cation and  
exchange.*

to devote himself to the manufacture of watches if he has no means of sending his watches outside his native village: otherwise, when every villager is possessed of a watch, his livelihood will forsake him; he will have to devote himself to something else, and his watchmaking skill will be wasted. For the same reason it is of little use for Lancashire to devote itself to the manufacture of cotton if it has no means of exporting its goods over a wide enough field to keep its machines and its workers continuously at work.

But something more is needed than the bare possibility of moving things about if a high degree of specialisation is to take place. We also require some method of exchange which every one shall understand. Mere barter, the exchange of one commodity or service for another will not carry us very far. To realise this we have only to imagine the hideous inconvenience of having to find something that our shopkeeper happens to want before we can persuade him to sell us—let us say—a pair of gloves. Will he accept a dozen eggs or shall we offer to clean his doorstep for him every day for a week? Obviously, without some common medium such as metal money or paper money, exchange would be a difficult matter; and without exchange specialisation cannot develop. For how could the dentist's family live on dentistry alone, as it would have to do, were it not possible for the dentist to exchange his services for money, and so indirectly for all the other necessities and luxuries which he requires? And so, looking round upon the Great Society as we know it to-day, we see that specialisation, communication, and exchange

have developed together. As specialisation has become infinitely complex, so the machinery for exchange has become infinitely complex too. As the man who dyes the calico has become dependent on the woman who weaves it—as Lancashire, which manufactures cotton, has become dependent on America, which grows it—so all have become dependent upon the shipping companies which import the raw material and export the finished goods, and upon the bankers and brokers who finance the multitude of sales and purchases which take place before the cotton flower, growing on its native plantation, comes into our hands across the counter of our local draper in the form of ready-made overalls.

We get some idea of what a very highly developed organisation our modern system of exchange has become when we glance at the financial page of the daily paper and notice its mysterious talk of rates and discounts, foreign exchanges and gold movements, produce markets and stock exchange quotations. It is this world-wide interdependence of people and places which gives the Great Society much of its romance. There is romance, for instance, in the thought that a dull old lady who walks into her local bank one morning and instructs its manager to invest a hundred pounds for her in rubber shares, may become by nightfall the responsible employer of naked brown coolies in the forests of Borneo. There is romance in the long chain of economic relationships which link the Lancashire spinner to the Egyptian peasant who picks his raw cotton, and to the South Sea trader who wears exported cotton trousers.

And now we must turn to a *fourth*, and less encouraging feature of our Great Society—its lamentable *imperfection*. With all its accumulation of capital, with all its network of specialisation, communication, and exchange, it has not really succeeded in making even our own forty-six million people reasonably comfortable. Masses of them are forced to live in houses which are a disgrace to civilisation. Masses are obliged to work too hard, or work under conditions which make life hardly worth the living. We have all heard of babies who die for want of proper food, doctoring, or fresh air; of men and women who can work, who want to work, but who cannot somehow manage to fit themselves into the industrial system. Either our Great Society, for all its efficiency, is not producing enough wealth, or else it is producing enough and distributing it so badly that the majority of people are not getting enough. There is something wrong with the machine, and without a complete understanding of its mechanism it is very difficult to determine what that something is.

Meanwhile, as we know, the mechanism itself is so complicated that it is almost impossible to understand more than a tiny corner of it—the conditions of a single industry, the needs and resources of a single district, the motives of a single class—and that is why, of course, some people find the Great Society so terrifying. A whole industry in one country may be ruined by the imposition or removal of a tax in another. A whole group of operatives may be thrown out of work by a war, a strike, or a harvest failure in some distant part of the world

which interferes with their supply of raw material or with the sale of their finished goods. In fact, thousands of people may suddenly find themselves profoundly affected by some remote and mysterious cause over which they have no control whatever. And when the work of one group is brought to a standstill, the work of those persons who are accustomed to supply its wants will be brought to a standstill too, and so the disturbance will spread through the social system like an infectious disease until the Great Society suddenly finds that it is producing less wealth, not because it wants less, but because somehow or other the mechanism of specialisation and exchange has become dislocated. It may suffer as the whole body and mind of a man may suffer from the sickness of some little organ on whose healthy working all the others depend. The war has shown us something which before we could only imagine, exactly what a big breakdown of this elaborate organisation means to the millions of persons who have grown to be dependent upon it. In our own country it seems for the present to have held together; in Russia and Austria, if we may judge from newspaper reports, it has not. The stories of starving populations and paralysed industries which come to us from Vienna and Petrograd show us something of what a breakdown of the Great Society means in terms of human misery.

Perhaps there are some of us who think that the Great Society is an ugly and a dangerous thing which should never have been called into existence by man in the search for wealth and power. We may think that on the whole we should be happier, and perhaps better, if we could get rid of our huge black cities, our helpless



dependence on foreign countries, and on one another, and go back to an altogether simpler form of life, producing our own food for our own family needs in our own village, and living under conditions which we can understand and control. But there is not much to be gained from such wishing, for, do what we will, with forty-six million or so of inhabitants to be supported on this little island, we cannot do without our Great Society with its capital, its specialisation, and its exchange. Even if we could manage somehow to thin ourselves out, and adopt a simpler standard of life, we should not be allowed to enjoy it for very long unless the world at large were converted to our views or unless the world's peace were so secure as to preserve us from the visitations of over-populated nations with large armies and modern armaments and unlimited resources of wealth.

And so we must face the facts. Having brought the Great Society into being, having become once and for all dependent on it, we have got to get control of it and make it perfect. We have got to learn how to produce and distribute our wealth in such a way as to secure for every one of our forty-six million people the first conditions of happiness. But obviously if we are going to get control of it we must understand it better than it has ever been understood before, and the first step towards this better understanding is a knowledge of how it grew to be the thing it is. That is our task in the present book, and it will take us back to the days when the Great Society was not very productive, when there was very little capital anywhere, very little specialisation, very little exchange,

*The  
problem of  
control.*

and hardly any facilities for moving things about. But 'from the time whereof no memory is,' as the old charters say, we find that at least a small section of the population has specialised in some sort of craftsmanship, and where this happens a first stage of industrial evolution is reached. Their specialisation may be a very simple process, one that can be carried on quite easily without the assistance of wholesale dealers, or shopkeepers, or bankers. It may mean simply the

*Its development:*

1. *The household stage of industry.*

direct sale of the craftsman's work, his woven cloth or his leather boots, to the person who is actually going to use them.

But where it occurs, we may say that the *household system* of industry, under which a man and his family work directly to satisfy their own needs, has given place to the *handicraft system*, where a man supplies his needs indirectly by specialised work done for a customer.

2. *The handicraft stage of industry.*

The rise of the handicraft system does not, however, carry us very far in the history of our Great Society. So long as a craftsman works directly for a known

customer, and works with his own tools, industry can still be carried on without any considerable movement of goods from place to place; it can still be carried on without any more complicated and expensive instruments of production than the tools which the worker possesses himself and uses in his own house. Labour has not yet begun to derive any very considerable help from capital; and specialisation has not yet become very complex.

When, however, the craftsman begins to work for a wider market, a larger circle of customers,

that complexity develops and we can trace the coming of a third stage of industrial evolution; one which historians have called the *domestic system*, because under it, the worker can still do his work at home. It brings us nearer to the Great Society because men in different towns, and even in different countries, begin on a large scale to trade with one another. This means that a new kind of specialist is needed—the merchant whose business it is to set people to work, to buy and sell, to study the needs of markets, and to arrange for the movement of goods. The actual producer of the goods continues to work in his home with his own simple tools, but the seeds of modern capitalism have been sown. The producer may not need an accumulation of wealth to help him in the production of his goods. The merchant, however, does need an accumulation of wealth to help him in the marketing of them. If the market is a wide one, that is, if the goods are going to be sold over a very large area, he needs wealth enough to buy and sell in large quantities; he needs ships and pack-horses; he needs ready money to tide him over the long waits between purchase and re-sale. The merchant may even be an actual employer, in which case he will need stocks of raw material to give out to the craftsmen who work for him. In any case we may call him a merchant capitalist—an owner of capital, whose function is to stand between the man who makes the goods and the man who uses them, between the producer and the consumer.

3. *The domestic stage of industry.*

The fourth stage of industrial evolution brings us to the system which we know to-day. Widening

markets, growing enterprise, accumulating wealth and increasing demands pave the way for it. The invention of power-driven machinery precipitates it. A new kind of capital is called into being in the form of instruments of production so huge and so expensive that hundreds of workers under disciplined supervision are required to work them. Where the mechanical inventions touch an industry the worker in that industry must throw down the old simple tools with which he and his forefathers worked in their own homes, and go with his fellow workers to the new machines in the factory. So the fourth stage of industrial evolution gives us the *factory system*; it gives us a new type of accumulated wealth, the power-driven machine, and a new type of capitalist, the man who owns it. Millions of workers now become dependent not only on the men who market the goods, but on the men who own the instruments of production.

Such is the bare skeleton of our story. It will be our task to give that skeleton flesh and blood by tracing out how and when in the history of the Great Society these developments came; by examining, as best we can, their effects from generation to generation upon the lives of ordinary people. That done, we shall perhaps find ourselves speculating as to what may be the fifth stage in the evolution of industry. It may be developing under our very eyes in the Great Society of to-day.

## CHAPTER II

### SOME ASPECTS OF MEDIÆVAL LIFE

The Middle Ages had their wars and agonies, but also intense delights. Their gold was dashed with blood, but ours is sprinkled with dust. Their life was interwoven with white and purple; ours is one seamless stuff of brown.—RUSKIN.

Yes, thus the Muses sing of happy swains,  
Because the Muses never knew their pains.

CRABBE.

THE Middle Ages, or the mediæval period, is the term used by historians to describe the thousand years or so of history which lie between the fall of the Roman Empire in the fifth century after Christ, and the intellectual movements of the fifteenth century which brought a renaissance of art and a reformation of religious thought in western Europe. Behind it lies ancient history which carries us back to Old Testament mythology and loses itself in the dawn of human knowledge. In front of it lies modern history, which carries us forward to the happenings of our own time and merges itself in current politics. With the ancient history of English economic life we have, for the present, nothing to do. Indeed, nobody seems to know very much about it. With its mediæval history, however, we must achieve at least a mild acquaintance.

*The  
Middle Ages  
as startling-  
point.*

In the first place, it gives us a valuable basis of comparison with our own time; in the second place, it introduces us to a system of industry and agriculture whose main features give the key to later developments. For the present, however, we are not studying mediæval history for its own sake, we are using it merely as a convenient jumping-off place for the closer study of those later developments. We need not therefore carry our researches back to the days of Hengist and Horsa; it will suit our purpose if we look only at the later part of the mediæval period and consider some of the main features of English economic life during the centuries which followed the Norman conquest in 1066.

The first thing that will strike us in a general survey of late mediæval England, is *the smallness of its population, and the smallness of the cultivated area of land on which that population lived*. It is difficult to determine exactly how many people there were living under the rule of William the Conqueror. At a rough estimate we may suggest a million and a half; less than one-fifth of the present population of Greater London. The great mass of this tiny population, roughly about nine-tenths of it, lived in villages. The rest inhabited towns, about eighty in number, many of which were hardly distinguishable from large villages. London was, as it is to-day, by far the largest city in the realm, but even London was very small. It was bounded on the west by the Blackfriars, on the east by the Tower; and Smithfield cattle market lay in the open country outside its walls. Among the other towns, York, Winchester, Bristol,

1. *The size of the population.*

Norwich, and Lincoln towered as giants, though in none of them can the population have exceeded 8000 or so. York, we know, had 1600 houses.

Wales, the home of Ancient Britons, driven westward by the Saxons, lies outside our ken—an unconquered province. Beyond the sparsely populated moors of Lancashire and Yorkshire and the northern counties, ran the Scottish Border country, where settled life was made impossible by the ravages of the hostile peoples who lived on the other side of it. The industrial areas of the north and midlands which are to-day the centres of our densest population, did not exist. The coal and iron which has made them what they are lay unworked and undiscovered.

Agriculture, which dominated life in town and village alike, involved a small fraction of the cultivated area on which we work to-day. Our million and a half inhabitants were scattered over the country, for the most part in the southern and midland counties, on little islands of cleared land surrounded by great uncultivated wastes of wood and moor.

The second thing that will strike us in our survey is the extraordinary *local isolation* of this little population. It would not, as we shall see presently, be true to say that there was no travelling, no foreign trade, no effective control by a national government at Westminster. There was a little—but a very little as compared with our own day. At the present time the loneliest village has its post office from which letters and telegrams can be despatched all over the world. In its windows the villager may read (and the village school will see

2. *Local  
isolation.*

that he can read) the latest food or licensing regulations issued by His Majesty's ministers in Whitehall, recruiting notices telling of the needs of our Imperial army and navy, expert instructions concerning cattle diseases or influenza epidemics, all of them symptoms, like the post office itself, of the fact that the villager is part and parcel of a world system. But more important still is the fact that however self-sufficing, however remote his village may be, our modern villager is still dependent on a world system of foreign trade for many of the things which he regards as necessities of life. The village store or the carrier from the nearest town brings him cloth from Yorkshire, cotton from Lancashire, boots from Northampton, tea from Ceylon, coffee from Brazil, sugar from the West Indies, crockery from Staffordshire, matches from Sweden, and many other goods of remote origin which we may see any day in our local grocer's shop window.

The mediæval villager was an independent and self-reliant man compared with our twentieth-century countryman. For the homespun cloth and  
*The village.* leather which served him as clothes, for the rough-hewn wooden utensils which served him as crockery, the handiwork of his wife and himself would suffice. The honey which served him for sugar, his own bees or those of the local beekeeper would manufacture. The milk of his cows and the small beer of his wife's own brewing would take the place of the tea and coffee which had yet to be discovered by the seafarers of a later age. Knowing little, he would want little; and what he wanted would be for the most part produced by his household or his village.



Tar for his sheep, metal for his agricultural implements, salt for the curing of his winter meat supply, would perhaps mark the extent of his dependence on the outside world. And being without posts or newspapers he would be conscious of that outside world only when a wandering pedlar, a travelling abbot, a nobleman riding with his retinue, or a royal official came his way. Indeed, the means of communication as they existed in mediæval England were not conducive to much contact with the outside world. The sole method of transport was horseback on the roads. To-day our conception of a road is of something *made*; a hard surface as compared with the soft earth and grass on either side. In mediæval England men's conception of a road was of something *left*; a strip of space with public right of way between men's properties; or outside the village meadows, of a vaguely defined track across waste lands, trodden into holes by the feet of men and horses and cattle.

In the towns, where professional craftsmen lived, and where travelling merchants congregated, this local isolation was less marked; but here again we see some striking comparisons *The town.* with our own day. In the first place, all through the mediæval period great masses of townsmen continued to carry on agricultural pursuits, and a considerable part of the town's food supply would come from the fields immediately surrounding it. In many mediæval town records we find the municipal authorities calling upon the townsmen to prevent their pigs and cattle from wandering about the streets; in others we find references to a general stoppage of industrial work during harvest time in order that the

townsmen may go out and work in the fields. When we remember that mediæval towns were for the most part hardly bigger than large modern villages, the possibility of a considerable measure of self-sufficiency in the matter of food supplies need not appear surprising.

A second symptom of local isolation in town life is to be found in the relation of towns to one another. To the mediæval townsman the citizen of a neighbouring town was a 'foreigner'; and towns would levy taxes on one another's products, negotiate commercial treaties with one another, or take reprisals against one another, very much in the same way that nations levy taxes, negotiate treaties, and take reprisals to-day. Perhaps the mediæval custom of reprisal for debt shows most curiously this spirit of town exclusiveness which pervaded the Middle Ages, and which made loyalty to one's town an infinitely stronger force than loyalty to one's country. It was quite a common practice during the period which we are considering, for the merchants of one town to seize the property of a 'foreigner' from another town, on the ground that a fellow-townsmen of that 'foreigner' was in debt to them. It would be left to the unfortunate 'foreigner,' on returning to his native town, to seek out the fellow citizen whose debts he had been compelled to pay, and obtain satisfaction from him. It was as though a citizen of Manchester, on alighting from the train at Liverpool, were to have his luggage seized by the municipal authorities on the ground that a certain Mr Smith of Manchester, a complete stranger to him, owed money to a certain Mr Jones of Liverpool, also a complete stranger. It would then be left to our Manchester friend, on his return from

Liverpool, to seek out this same Mr Smith and extract compensation from him as best he might.

Under such a system, as one would naturally suppose, a debtor might find himself very unpopular with his fellow townsmen, who were liable at any moment to suffer for his defaults in the course of their visits to other business centres; and we find records of cases in which the mediæval town authorities took very severe measures against such persons, even to the extent of casting them out of the town altogether. Moreover, the custom added to the difficulties of travel by making a merchant rather shy of visiting a town where he suspected his neighbours of owing money. In the reign of Edward I. attempts were made by the Government at Westminster to put a stop to this uncomfortable practice, and a statute passed in 1275 forbade the collection of debts from persons who were not themselves the debtors concerned.

However, when we are told that a statute was passed in the Middle Ages, we must not necessarily suppose that it was rigidly enforced, especially when, as in this particular case, it interfered with a time-honoured custom of many towns. We have reason to believe that, in spite of the statute of 1275, the custom of indiscriminately collecting debts from the fellow townsmen of the debtor continued to flourish till the end of the Middle Ages. And it may be noted incidentally that this inability of the national Government at Westminster to impose its will on the towns, is itself another sign of the local isolation which we have been discussing as a feature of mediæval England. Where localities are self-sufficing, where local patriotism is very strong, and where communication is difficult,

we may take it for granted that the central national government will be weak and that its laws will not be very strictly enforced. Such indeed was the case in mediæval England.

The third thing that will strike us in our survey of mediæval England, is the *very high moral standard which prevailed, in theory at least, with regard to business dealings*. We must remember that we are concerned with an age when men's minds throughout western Europe were ruled by the Catholic Church as they have never been ruled since. Its teachings dominated public opinion and public opinion reflected itself in law and custom. The Catholic Church did not merely represent one among many versions of Christianity as it does to-day; it was the one and only representative of organised Christianity; in addition it was the one and only representative of learning, the one and only provider of education. The centre of its government was the Pope in Rome, and so, in addition to giving our mediæval Englishmen all that they knew of religion and learning, the Church gave them also all that they knew of foreign intercourse. It forged the first link between our barbarous little island and the slightly less barbarous world to the south. Therefore, if we consider what was the teaching of the Church with regard to business dealings we can account for many of the business laws and customs which we meet in mediæval England.

The teaching of the Church was briefly this. The pursuit of material wealth for its own sake is wrong. Did not Christ himself continually speak of the spiritual danger of worldly possessions? Did not the Apostles

*The  
influence  
of the  
Church.*

and their followers renounce private property altogether, having 'all things common' and distributing to each 'according as he had need'? This being so, it must follow that any pursuit of material gain beyond what is necessary to keep a man at the standard required in his own class of life is unchristian and a thing to be condemned. Bearing in mind this ideal, and the power of the Church which preached it, let us then note its effect on mediæval law and custom in economic matters.

In the first place we find in mediæval England a general attempt on the part of the national government as well as the town governments, to regulate prices. There was no suggestion that a reasonable price would be determined by free competition between buyer and seller. It was felt that everything, whether a service or a commodity had a 'just price,' determined by the cost of maintaining at a reasonable standard the workers who made and sold it. It was the business of the government, therefore, to see that no more than the 'just price' was asked or paid. In so doing, it would prevent the seller from endangering his soul by the pursuit of undue gain, and it would protect the buyer from extortion or fraud. We therefore find that in 1202 the national government instituted the 'Assize of Bread,' a regulation which fixed by law not the price of a given weight of bread, but (what comes to the same thing) the weight of a farthing loaf. This weight had to vary according to a given scale, with the market price of wheat. Any person who sold a farthing loaf of less than the legal weight was subject to conviction and punishment. The

*The  
regulation  
of prices.*

carrying out of this national regulation was left to the various town authorities, and we have reason to believe that it actually was very vigorously enforced, and that dire penalties were imposed on bakers who gave short weight. In 1321, for example, a certain defaulting baker of Bread Street was dragged through the City of London on a hurdle.

Ale, the great national drink of the Middle Ages, which served for tea and coffee, was also subject to a national 'assize,' which prescribed the number of gallons to be sold for a penny, according to the price of barley.

If it should strike the reader that food must have been delightfully cheap in those days, it may be noted that money was also very scarce. If a farthing went further than it does to-day in the purchase of bread and ale, the explanation is simply that people had fewer farthings to spend. We are told that in the reign of Edward I. the legal wage for a London master mason varied between 5d. and 3d. per day, according to the time of year.

It should also be noted that the assize of bread and the assize of ale by no means constituted the only price regulations of mediæval England. There were plenty more, and the bulk of them would be imposed by the town authorities for their own particular districts, according to local conditions.

Another interesting type of price regulation devised by mediæval governments for the protection of the seller's soul and the buyer's pocket, is that which prescribes the time and place at which goods shall be sold. The persons whom we now call 'profiteers' were known

*The control  
of  
profiteering.*

to the Middle Ages as 'engrossers, fore-stallers, and regrators.' An engrosser was one who bought up goods before they were ready for market—such, for instance, as the corn dealer who bought the harvest from the farmer before it was reaped—and having done so, held back the goods in order to force up prices. A forestaller was one who went to meet goods on their way to market in order to get them more cheaply. A regrator was one who bought up great quantities of goods in the market in order to resell them at a higher price. A person who made money in any of these ways was described by statute as 'openly an oppressor of the poor and the public enemy of the whole community and country.' He was not 'suffered to dwell in any town,' and the offence of engrossing, forestalling, or regrating was severely punished.

That such legislation, like the assize of bread and ale, actually was enforced, we may gather from a case dated 1364 and quoted by Professor Ashley in his *Economic History*. It concerns a London baker named At-Wood, who went into the common corn market on Newgate Pavement, and 'cunningly and by secret words whispering into his ear' persuaded a corn dealer to withdraw with him into a neighbouring church, and there sell him two quarters of wheat for more than the recognised market price. It is satisfactory to know that Mr At-Wood spent three hours in the pillory for his offence. Nevertheless it must have been exceedingly difficult to detect cases of forestalling, engrossing, and regrating. In the case of Mr At-Wood we are told that he aggravated the offence by returning to Newgate Pavement and

boasting of his action. Had he not done so it seems likely that he would have escaped the pillory.

The result of this legislation against profiteering, and of the public opinion which inspired it, was a hearty distrust of dealers. So long as a dealer honestly added to the value of his goods by moving them to places where they were wanted, he was tolerated by law and public opinion. But where a man appeared to grow rich by simply buying and selling goods it was almost impossible to avoid the uncomfortable suspicion that he had taken advantage of some one or other, by either selling his goods for more than their 'just price,' or buying them for less than their 'just price.' So powerful was this feeling that long after the regulations and theories of the Middle Ages had faded into history, a curious half-conscious atmosphere of suspicion and distrust continued to hang round the business of corn-dealer.

Another interesting example of the influence of Church teaching on mediæval law and custom is to be found in the treatment of money-lenders. To-day, the man who lends money at interest to the Government is regarded as a patriot. The man who invests his savings in the debentures of some productive enterprise such as railway construction or cotton spinning, is at least regarded as a respectable citizen. Certainly we do not regard such persons as 'usurers' simply because they receive interest on their money. That unpleasant word is reserved for the very small class of lenders who lie in wait for extravagant young men and advance them money at extortionate rates when they get into difficulties, charging perhaps fifty or sixty per cent.

*The  
prohibition  
of usury.*



where the ordinary respectable investor would expect five or six. In the Middle Ages, however, only one word was used to describe all loans of money for what we should now call interest—and that word was ‘usury.’ Money was said to be ‘barren’; useless to its owner except as a medium of exchange; something to be buried in the garden until wanted. Therefore, in lending money the lender lost nothing, provided the actual sum were duly returned; and the mediæval Church required him, in accordance with Christ’s commandment, to ‘lend hoping for nothing in return’ except, of course, the original sum lent. Money-lending for a fixed rate of interest, as we know it to-day, was therefore forbidden by Church and State to all except the Jews, who were felt to be outside the laws of Christian morality. These latter were often regarded as useful people, because it sometimes happened that merchants and nobles, abbots and kings, even Popes, found that they could not do without money-lenders; and it is certain that both before and after the expulsion of the Jews from England in 1290, a good many Christian people managed by hook or crook to evade the law and lend money at rates of interest which we should now call usurious.

It is a little difficult to understand this point of view with regard to a practice which is to us a recognised necessity of business life. The explanation of it is probably as follows: at the present time we are living in an age when capital, or accumulated wealth, plays a very large part in production. The bulk of money lent by one person to another is lent in order that the borrower may purchase capital and so increase the productiveness of his labour. With this possibility,

money is very far from being 'barren,' and it is extremely desirable that people who cannot use their money to buy capital and make their own labour more productive, should save it up and lend it to other people who can do so. In the Middle Ages skilled labour played a very much larger part in production than capital. The power-driven machinery and factory-buildings which constitute so much of our capital to-day did not exist. The man who produced wealth did so by the power of his own hand and brain, aided by very simple and comparatively cheap instruments. He therefore had little or no need of borrowed savings, and where loans of money were needed they would generally be needed by somebody who had got into financial difficulties—by a king who wanted to fight a war, a baron who wanted to equip a crusading expedition, or pay a robber's ransom, an abbot who wanted to complete a chapel, rather than a business man who wanted to carry on a solid productive business enterprise. It is interesting to notice that as business enterprise grew, as the opportunities for using capital increased towards the end of the Middle Ages, the usury laws became more and more liable to evasion, more and more the subject of criticism and learned disputation; until finally, in 1545, the payment of interest up to ten per cent. was made legal by Act of Parliament.

The fourth thing that will strike us in our survey of mediæval England is the *greater insecurity of human life*. We have learned something of insecurity in the twentieth century, under the visitations of German aircraft. And the fact that people in other countries,

4. *The insecurity of human life.*

living at the same stage of civilisation as ourselves, have been subject to bombardments, famines, invasions, and massacres, helps us to realise what insecurity of life means. But such things are the misfortunes of war; we look back to a pre-war existence which was extraordinarily secure, both for life and property. Its security was broken by occasional riots or murders, houses on fire, or street accidents, mine explosions, shipwrecks, or epidemics. During the later decades of the nineteenth century our machinery for saving life and preventing disorder had become so efficient that nobody expected to die anywhere but in his own bed, and everybody expected to enjoy the uninterrupted use of his own property. Sometimes a disaster such as the sinking of the *Titanic* or the Senghenydd mine explosion would ruffle our calm, and remind us that a large-scale organisation of society means a large-scale loss of life on these rare occasions when a disaster does occur. And then perhaps some of us would be tempted to think enviously of the simpler existence of mediæval times when man risked less and so had less to lose. However, when we look back to the records of the Middle Ages we see that even the simpler life had insecurities of its own which we have to a large extent learned to master.

In the first place we have abolished the eternal terror of robbery and assault which dominated everyday life in the Middle Ages. We see signs of that fear in the fact that men commonly went armed in the streets—(a) *Robbery  
and  
assault.* especially after dark. We see signs of it also in the famous Statute of Winchester, passed in 1285, 'for the greater security of the country.' This statute

commands that 'highways from one market-town to another be enlarged . . . so that there be neither ditches, underwood, nor bushes wherein a man may lurk, near the road, within two hundred feet on the one side and two hundred feet on the other side, provided that this statute extend not to oaks, or to great woods, so as it be clear underneath.' And the lord who refused to clear his roadways was held responsible, according to the statute, for robberies and murders committed on his property. The very need for such a regulation shows us that in an unpoliced land the traveller had to rely mostly on his own weapons and on his skill in using them. All that the law guaranteed him was breathing space in which to stand at bay while his assailant ran at him over two hundred feet of cleared ground.

In the second place, we have abolished the haunting fear of famine. This is not because famines do not occur in modern times, and in western  
(b) *Famine.* Europe. They have, of course, occurred during the recent war and since the conclusion of peace. But they have occurred as the direct result of certain human actions; and we do not expect them to occur when our machinery for international exchange is working normally. This is because international exchange, and the transport system on which it is based, enable a single locality to draw its food supplies from the four corners of the earth, thus rendering it independent of any weather conditions which may affect its own particular harvest. It is conceivable that the whole of England or even the whole of western Europe might suffer from a defective harvest; it is almost inconceivable that the

whole world should suddenly be robbed of its food supply. In mediæval England, however, when each locality was dependent upon the corn which it could grow and the beasts which it could rear, a failure of the harvest or an outbreak of cattle disease meant something more than increased importation from outside. It meant famine.

We may learn something of the frequency and horror of mediæval famines if we turn to the record compiled by Penkethman in 1638. Over and over again we read of droughts, wet harvests, or outbreaks of cattle disease, during which men and women died of actual starvation. In 1093, for example, there was a 'great Famine, and afterwards so great a mortality, that the living were scarce able to bury the dead.' Nineteen years later there was a 'sharp Winter, great Dearth, and mortality of men.' In 1258 'a great Dearth followed the wet yeare past, for a quarter of Wheat was sold for 15s. and 20s., but the worst was in the end there could be none found for money, where-through many poore people were constrained to eat Barks of Trees, and horse flesh, but many starved for want of food, twenty thousand (as it was said) in London.' In 1315 things were so bad that we read of how 'some others in hidden places did mitigate their hunger with the flesh of their owne Children.' And these are only a few examples, quoted at random, from Penkethman's long line of 'most remarkable Dearth and Famines, which have happened within this Realme since the coming in of William the Conquerour.'

When we come to the fifteenth and sixteenth centuries we begin to find references to the importation

of corn from 'Pruse' (Prussia) and 'Danske' (Danzig) in times of emergency. But the danger was still acute enough to overshadow the minds of the men who made our English Prayer Book. Out of six special prayers for times of danger or distress, they thought fit to devote four to the weather, and only one apiece to pestilence and war.

A third great and constant danger of mediæval life was the danger from fire. Fitzstephen, writing of

London in the twelfth century, tells us  
(c) *Fire.* that its 'only inconveniences' were 'the immoderate drinking of foolish persons, and the frequent fires.' That fires occurred frequently is not surprising when we realise that dwelling-houses were built for the most part of wood, often thatched with straw, carpeted with dry rushes, and lit by candles. Moreover, when a fire did occur it invariably ended in something more than the destruction of a single house; often a whole street, sometimes even a whole quarter would be burnt down.

John Stow, in his Elizabethan *Survey of London*, tells us of a fire in 1136 which began 'near unto London Stone' (Cannon Street), and 'consumed east to Aldgate, and west to St Erkenwald's shrine in Powle's church,' destroying London Bridge on its way. He records a still more terrible fire in connection with London Bridge in the year 1212, when the 'Borough of Southwark, upon the south side of the river Thames, as also the Church of our Lady of the Canons there, being on fire, and an exceeding great multitude of people passing the bridge, either to extinguish and quench it, or else to gaze at and behold it. suddenly the north part, by blowing of the south wind, was also set on fire, and

the people which were even now passing the bridge, perceiving the same, would have returned, but were stopped by fire, and it came to pass, that as they stayed or protracted time, the other end of the bridge also, namely, the south end, was fired, so that the people thronging themselves between the two fires, did nothing else but expect present death; then came there to aid them many ships and vessels, into which the multitude so unadvisedly rushed, that the ships being drowned, they all perished. It was said that through and fire and shipwreck there were destroyed about three thousand persons, whose bodies were found in part, or half burnt, besides those that were wholly burnt to ashes, and could not be found.' When we picture to ourselves an accident on this scale occurring in the little city of 1212, a modern Zeppelin raid seems a mere pin-prick.

A fourth ever-present danger was the frequent and devastating outbreak of infectious disease. History books generally tell us of two big epidemics, the Black Death of 1349, which carried off (d) *Pestilence*. nearly half the population of England, and the Great Plague of 1665, which brought such desolation to London that after a year of it grass grew in Aldgate. We must realise, however, that up till the Great Fire of 1666, the plague visited London over and over again, and that when it came, civilisation simply bowed before it. There was no effective system of isolation or disinfection to check its ravages. There was no elementary attempt at sanitation or drainage to hinder its coming. In the Middle Ages the refuse of London was thrown indiscriminately into the street, the city ditch, the Fleet River, or

the Thames. John Stow, writing in praise of the old-time street bonfires, throws some light on the atmosphere of his native city when he speaks of the 'virtue that a great fire hath to purge the infection of the air.' Small wonder that plagues and fevers wrought continual havoc !

A fifth element of insecurity was the constant occurrence of little wars—not merely wars between countries; these are not, unfortunately, peculiar to the Middle Ages—but wars  
 (e) *Little wars.* between noblemen or cities. To-day we may fear that in the event of a national war London will be pounded by long-range guns or bombed by aeroplanes. We no longer fear, however, that its streets will flow with blood as the result of a war between the Lord Mayor and the Prince of Wales, or the Duke of Westminster and the Duchess of Marlborough, both parties calling out their servants and attacking one another's houses, while the neighbours take sides and join in the fray. Nevertheless, such events seem to have been of frequent occurrence in the Middle Ages; they were partly the cause, and partly the result, of the aristocratic custom of keeping private armies of uniformed retainers, three and four hundred strong. Though they must have added to the gaiety of life, they must have also added enormously to its insecurity.

On the whole, in view of the normal state of security in which we live to-day, when our country is not at war, it is true to say that a mediæval baby had a very much poorer chance than a twentieth century baby of surviving the ups and downs of life and reaching a ripe old age.



A fifth thing that will strike us in our survey of mediæval England, if we take a long view of our period, is its *stagnation*. In economic life things moved very slowly. To-day, any person whose memory goes back, say, thirty years, can remember the coming of a whole series of developments each of which has made a profound difference to the everyday lives of ordinary people. The life of the home has been affected by the coming of electric lighting and gas heating. The safety of sea travel has been increased by wireless telegraphy. Business methods have been revolutionised by the telephone and the typewriter. New possibilities of pleasure and travel have been opened up by the bicycle and the motor-car; while over our heads is developing the greatest revolution of all—the conquest of the air as a highway for commerce and travel. If we take in our survey not thirty but a hundred years, we find that the nineteenth century gave us the railway, the telegraph, and the steamship. The eighteenth century affected the lives of ordinary people still more drastically, for it gave them power machinery and the factory system.

But if we take a bird's-eye view of the four centuries or so which lie between the Norman Conquest and the end of the Middle Ages, we can find no single outstanding invention which had an effect comparable to any one of those mentioned above. Such economic developments as took place were slow developments, such as the growth of towns, the expansion of foreign trade, the rise of the cloth merchants, or the spread of a money economy. To us, who look back at a remote period of history, these things appear as

changes and movements. But to the men and women of the time who were working them out in their own lives, they must have seemed hardly perceptible. For generation after generation men produced wealth by the same methods. For generation after generation women kept house by the same methods. For generation after generation the spiritual authority of the Church went unquestioned. And as a result, existing class distinctions came to be regarded as part of the order of nature, and the main structure of economic life was accepted by the average man because he never dreamed that it might be different. Mediæval England was on the whole very conservative.

## CHAPTER III

### THE MANOR AND THE GILD

The past was goodly once, and yet, when all is said,  
The best of it we know is that it's done and dead.  
Dwindled and faded quite, perished beyond recall,  
Nothing is left at last of what one time was all.  
Coming back like a ghost, staring and lingering on,  
Never a word it speaks but proves it dead and gone.  
Hood.

CHAPTER II. ends with a reference to the 'structure of economic life' in the Middle Ages. What was this structure? We must attempt to answer the question, for otherwise we know nothing about the life of the period except that on the whole it was isolated, conventional, insecure, and generally slow moving. *The feudal system.*

Let us begin by considering the main facts of economic life in the country districts since, as we have seen, during our period the great majority of people lived in the country and had little or no concern with the problems of town life, commerce, or industry. The dominant fact of economic life in the mediæval country-side was, of course, the existence of the feudal system. The word 'feudal' is associated with the grant of land in return for personal service of some kind, together with a certain measure of personal submission. The lord would hold land from the king

in return for military service and personal allegiance. The peasant would hold land from the lord, also in return for service and personal allegiance. But as a rule, though the peasant might at any time be called upon to take up arms and fight the battles of his lord, the principal part of his service would be given in the form of agricultural labour.

The unit of land granted by the king was the village or vill with its surrounding arable and pasture lands, or, as it was generally called, *the Manor*.

*The manor.* This does not mean that a lord might only hold one manor; indeed, he might hold several hundred, scattered all over the country; he might hold so many that he would in his turn grant land to a lord of lesser rank on very much the same terms as those which he himself had received from the king. When we say that the manor was the unit of land granted, we mean that each manor was an indivisible whole with a separate communal village life of its own, a separate organisation for the administration of justice, the payment of taxes, the arrangement of cultivation. Nor was it necessary for all manors to be granted to nobles in return for military service. Large numbers were held by the king as his own estates, he himself acting as their immediate lord. Others were granted to ecclesiastical lords, or corporate bodies, such as monasteries or colleges.

Let us now examine the internal organisation of a mediæval manor, taking for our imaginary example one which is held by a lay-lord, that is, a lord who is not an ecclesiastic, and by a lord who happens only to hold a single manor on which he himself lives. The

centre of manorial life is the village itself, consisting, not like many villages to-day, of scattered houses and farms standing in their own fields, but of cottages huddled together on each side of a muddy village street. They will be built in all probability of wood and earth, thatched with straw, one-roomed, and under the same roof as the pig-sty or the cattle-shed. At one end of the street will stand the church, in some cases the self-same church in which the modern villager worships to-day. At the other end we shall find the manor house, the dwelling of the lord, which may be anything from a frowning Norman castle to a two-roomed timbered house only slightly bigger and stouter than the mud huts of the villagers. But, even so, it will probably have a courtyard of its own with a brew-house and other out-buildings. A little way off, probably by a stream of running water, will stand the mill, the property of the lord, to which the villagers must bring their corn for grinding, in return for a proportion of the flour so ground. Round the village will lie the arable and pasture lands, and beyond them the waste: a tract of forest or heath land, uninhabited, uncultivated, often very extensive, stretching away into the distance until it merges into the outlying waste lands of the next manor.

*The houses  
of the  
manor.*

At this point we must consider the arable lands of the manor, because it is in connection with them that we get some very curious and important features of manorial life. Their cultivation was usually carried on under what is called the 'three-field system.' The whole cultivated area would be divided into three

*The open  
fields of the  
manor.*

huge fields, each of which would in its turn be divided into a great number of long narrow strips of one acre, or perhaps half an acre, each. These strips would be separated from one another not by hedges or walls, but by balks or furrows. And the inhabitants of the manor would hold their land not in the form of compact holdings, but in the form of a number of strips scattered about in the three open fields. Each man would, however, be assured of some land in each field, and his strips would be scattered in such a way that as a rule no two would be together. The reason why his land was so allotted is obscure—like many manorial characteristics. It may have been arranged in this way in order that every man might get a fair share of good and bad land.

The actual cultivation of the fields—and this gives us the clue to the name *three-field* system—would be as follows:—We must remember that

*Manorial methods of cultivation.* the variety of crops known to mediæval cultivators was very small. There were no potatoes, no turnips, no swedes or mangolds. The chief sustenance of the village would be wheat or rye for bread-making, barley for ale, oats, and sometimes peas, for cattle-feeding. Therefore, in order to obtain the necessary rotation or change of crops, in any given year one field would be sown with wheat or rye, another with oats or barley or peas, while the third would be left fallow to rest the soil. In the following year the order of sowing would be changed; the field formerly fallow would be sown with wheat, the wheat-field with barley, the barley-field taking its turn for a year's rest. There might, of course, be only two

fields, and a two year's system of rotation; but it is generally believed that in the later Middle Ages the three-field system was most common.

We can see from this that manorial agriculture must have been extraordinarily wasteful and unscientific. Apart from the wastefulness of leaving one-third of the arable land unculti- *Their defects.* vated every year instead of restoring its chemical properties by sowing a clover or root crop of some sort, the absence of any scientific knowledge of manuring meant that such crops as were grown were extraordinarily poor. We are told that a mediæval farmer would expect to raise eight or nine bushels from an acre of land where a modern farmer would expect to raise thirty. Moreover, the absence of clover and root crops meant that there was practically no winter food for the cattle apart from the pastures. It was therefore necessary to kill most of them off in the autumn, leaving only such as were necessary for breeding and ploughing; with the result that the villagers lived on salt meat during the winter, and were therefore peculiarly liable to get scurvy.

Another reason why manorial agriculture was primitive and inefficient is connected with a second important characteristic of manorial cultivation; the fact that it was communal or co-operative. The waste lands were common and used by all for the cutting of fuel or the pasture of beasts. The pasture meadows, though often divided into individual strip holdings for hay-making, were used in common after the hay had been lifted. The crops to be sown on the three arable fields were settled by the common consent of the villagers, and each individual had then to plant

his strips with the agreed crop. Ploughing was done in common, each villager contributing, in proportion to the size of his land holding, cattle for the common team. Such a communal system was necessarily wasteful because it offered no opportunities for experiment or individual initiative; and there was a tendency for the whole body of villagers to jog along from generation to generation, uncritically using the methods of their fathers and grandfathers and great-grandfathers.

The question of agricultural methods is closely bound up with another important feature of manorial life; the relation between lord and villager.

*The  
cultivators  
of the  
manor.  
(a) The  
serfs.*

We have seen that each villager held his land in the form of a number of isolated acre or half-acre strips. He might hold twenty or thirty of these strips, in which case he would be known as a 'villain.' He might hold only two or three, in which case he would be known as a 'bordar' or 'cottar.' But taking the whole area of the three fields, about half the number of strips would not be held by villagers at all, they would be held directly by the lord, and would represent his personal estate or 'demesne' as it was called. And the service which the lord demanded of the villagers in return for the arable strips and common rights which they enjoyed, was the labour of cultivating his own demesne. The villain, therefore, who held twenty or thirty strips would be obliged to devote about half his time to labour service on those of the lord, and this service would take the form of regular 'week work,' probably three days a week, together with 'boon work' or 'precariæ,' which meant extra



labour at special seasons such as harvest time. The villager who happened to be a 'cottar' or 'bordar' would, of course, render less labour because he held less land. He would therefore be free to hire himself out as a wage labourer to the lord or to another villager.

As a result of this system, it followed that the wealth of a manor depended largely on the number of able-bodied villagers whose services the lord could command; and this fact brings us to an exceedingly important feature in the social relations of the manor. In order to preserve the human wealth of the manor, the villagers were subject to a number of restrictions on their personal freedom which may be summed up under the word 'serfdom.' They were legally tied to the land. They could not move from the manor without the consent of the lord, and as we have seen, it was to his interest that they should remain there. A runaway serf could be hunted and ignominiously led back to his native manor. Moreover, this inability to move from the land was not the only mark of the villager's personal servitude. He could not marry his daughter outside the manor, or sell a beast, without the consent of his lord and the payment of a fine. Death and inheritance also cost the serf a fine. 'Heriot,' often in the form of an animal, was paid to the lord from the property left by a deceased tenant. 'Relief' was paid by the incoming heir. Finally, as regards petty offences, the villager was subject to the jurisdiction of his lord; and in the Manor Court, the centre of village administration and the store-house of its records, the lord or his steward would sit as judge for the settlement of disputes and the punishment of small offences.

From the foregoing recital of facts it might appear as though the villager on the mediæval manor were little more than a slave. As a matter of fact, however, his position had its compensations. It is true that he had no freedom of movement; he could not leave his land. But on the other hand, so mighty was the force of custom that he could not be evicted. He and his heirs held their strips 'according to the custom of the manor,' and with the *obligation* to stay on his holding whether he wanted to or not, went the *right* to stay on his holding whether the lord wanted him or not. The lord could not turn him adrift because another man offered a high rent, nor could the lord require the tenant to pay more for his land than the customary labour services performed by his forefathers. The law, indeed, gave him no security of tenure, but the manor was ruled by custom, and that custom gave to the tenant rights as well as burdens.

So far we have dealt only with three classes of manorial inhabitants. On the one hand there was the lord, who might, if he held several manors, be represented by a steward. On the other hand there were the servile tenants, consisting of villains, holding perhaps twenty or thirty acres, and cottars holding perhaps two or three. We may think of these two classes together as 'customary tenants.' But outside this class of customary tenants, there would be found

on most manors, a type of manorial tenant which we have not yet mentioned—the free tenants or yeomen. These free tenants were the aristocracy of the peasantry.

Unlike the customary tenants they were often free to move; they were not therefore serfs. They owed,

as a rule, no week work, though they might be required to contribute boon work on the lord's demesne at harvest time. The law definitely gave them security of tenure and often they would hold their land by written agreements, paying rent like a modern leasehold tenant; or they might even be virtual freeholders in the modern sense, paying merely a formal rent such as a 'pound of seed and a gilly-flower.' Exactly how they came into existence is one of the obscure questions of economic history. But however that may be, it is a fact that by the beginning of our period they existed on very many manors, they represented a privileged class, and their numbers tended to increase from year to year, because, if the lord wished to grant new landholdings he would, as a rule, enclose pieces of the waste and set up new leasehold tenants on this freer basis. The law allowed him to do this, provided enough waste land was left for the pasturage of the peasants' beasts.

Finally, there would be on all manors a small class of specialists; men who held very little land and devoted themselves to the performance of some special service. Such would be the (c) *The specialists.* thatcher, the blacksmith, the bee-keeper, the shepherds and swineherds, the miller who worked in the lord's mill, and most important of all, the parish priest, since the manor would generally be at the same time an ecclesiastical parish with a church of its own.

So much for the main structure of manorial life. And bearing in mind the fact that no two manors would be exactly alike as regards the type of manorial lord, the size, the number of free and servile

tenants, the extent of their holdings, or the arrangement of their crops, we are in a position to sum up the outstanding characteristics of manorial life as a whole and compare them briefly with the outstanding characteristics of village life to-day.

*The manor  
and the  
modern  
village  
compared.*

In the modern country-side we meet roughly four main classes. First, there is the landowner, who may be a resident squire ruling paternally over his village tenants and vaguely recalling to our minds something of the old feudal atmosphere. He may, on the other hand, be an absentee, living perhaps in London, represented by a rent-collecting agent. Second, there are the tenant farmers, renting fairly large farms, and working them with their own and hired labour. The amount of their rent will be determined by a free bargain between them and the landowner, and will be influenced by the price of agricultural produce and the competition of other farmers. Thirdly, there is the most numerous class of all, the agricultural labourers, dependent on a weekly wage, and separated socially from the farmer class. Fourthly, there are those people who are to be found in every country-side, and who are mainly dependent not on the land of their neighbourhood but on incomes from outside sources. They may be entirely dependent on interest from invested capital, in which case, for want of a better English word, we may adopt Cobbett's phrase and call them 'fund-holders.' They may be brain-workers going to work in a neighbouring town, or spending part of the year in the country. And the nearer we get to London, the more

numerous do these fund-holders and brain-workers become.

When we turn to our mediæval village we find no division of classes corresponding to those mentioned above. The most obvious comparison is of course between the landlord and the lord of the manor. The bulk of the land in this country is still in the hands of a comparatively small number of large landowners, and is still, for the most part, cultivated by their tenants. But between the landlord and the king, on the one hand, the landlord and the tenant on the other, the old feudal relations no longer exist. The landlord has long since ceased to owe military service by virtue of his land, and his duties are performed by a paid standing army. The tenant has long since ceased to be a serf tied to the soil, and enjoying security of tenure according to the custom of the manor. Custom has given place to competition and the price which the modern tenant pays for his land is determined, like the price of any other commodity, by the play of supply and demand. He holds his land on a free money contract, where the manorial customary tenant and his lord held by virtue of their class, subject to personal obligations. The landless labourer hardly existed at all on the mediæval manor; even the cottar who worked for wages in his spare time would be assured, by the custom of the manor, of his two or three acres. To-day, as we have seen, the landless labourer forms the most numerous class on the land, and neither law nor custom give him any security either as regards employment, or as regards the cottage in which he lives. As a result we find to-day a continual drift of labourers or their children from the

land to the towns. And, looking back at the conservative, unproductive, servile, isolated life of the manor, we may perhaps be tempted to wonder whether our modern agricultural labourer has gained very much from the centuries of change which brought him his personal freedom and robbed him of his land.

Finally, in our mediæval manors we find no fund-holders. The man who lived in the country, lived there either because he owned land or because he worked it. And this brings us to the problem of industry, for the existence of the fund-holder is bound up with the existence of capital, and with the way in which it is owned under modern conditions. We must, therefore, leave our mediæval country-side for a space and turn our eyes townwards.

When we turn our back on the manorial village, and enter the mediæval town, we find ourselves in slightly more modern and familiar surroundings.

*The town.* The very word 'civilisation,' with its Latin origin *civis*, a citizen, suggests to us that the towns led the way in social and economic development. During our late mediæval period, the towns were growing fast. Old towns were expanding, new towns were coming into existence. By the middle of the thirteenth century there were perhaps 200 towns in England, as compared with 80 at the time of the Conquest. In size and wealth London still reigned supreme, with somewhere about 25,000 inhabitants, as compared with her present 8,000,000; while York and Bristol came next, with less than half the population of London. This suggests that an average mediæval town can have been hardly bigger than a large manorial village. What then was the difference?

The essential difference was that a town—or borough—had managed, by gift or purchase, to acquire its freedom from manorial obligations. This freedom would be embodied in a written charter granted to it by a noble, a monastery, or a king, whichever its original feudal lord might happen to be. Different charters would contain different measures of freedom, but as a rule they would guarantee to the inhabitants of the borough, freedom to move about, freedom to collect their own taxes, freedom from the jurisdiction of the manorial courts. The boroughs would thus represent little islands of personal freedom and corporate self-government, in a sea of feudalism.

To-day, when a city wishes to honour a national hero, it confers upon him 'the freedom of the city.' The custom dates back to an age when the freemen of a city were partakers in the privileges granted by its charter, and as such, were in a very real sense freer men than the strangers who lived outside its gates. With the growth of the towns, therefore, we get also the growth of a class which had no place in the old feudal organisation of society, a class which was always on the alert to defend and extend its hard-won privileges, a class which was laying the foundations, very laboriously and very imperfectly, of that democratic self-government which is the political ideal of to-day. So much for the social importance of the towns. Let us now consider their economic importance.

*The  
significance  
of its  
charter.*

The growth of the towns meant in the first place that large groups of persons were becoming dependent on trade—that is to say, on the exchange of commodities.

It meant that goods were being purchased from the country-side round about the town, and that other goods were being produced and sold by the townsmen to pay for them. Therefore it was necessary that there should exist, in connection with the towns, some organisation for buying and selling. To-day such organisation exists not entirely, but for the most part, in the form of wholesale firms and retail shops. In

*Markets  
and  
fairs.*

the Middle Ages it existed not entirely, but for the most part, in the form of open markets and fairs. At the town markets, held at certain places, and on certain days of the week, most of the buying and selling among the inhabitants of the town and the neighbouring country-side would take place. And at the great fairs, established by royal licence, and held once or twice a year, men from distant towns and villages would meet one another and transact businesses. A few of these great fairs survive to-day. Stourbridge Fair, St Giles' Fair, Oxford, and Winchester Fair are still familiar names to us. But these modern fairs have long ago ceased to perform their old functions as centres of serious trading, and we associate them chiefly with merry-go-rounds, cocoa-nut shies, and huge pink and white striped peppermints.

In the Middle Ages, however, the fairs, like the markets, played an important part in business life. And the possession of a market or fair was a valuable thing, because the owner of the land on which it was held, whether a manorial lord or the burgesses of a town, might collect tolls from buyers and sellers, and rents from stall-holders. The proprietor had, however, important duties, since the buying and



selling in fairs and markets had to be strictly regulated, as we have already seen, in accordance with law and custom. The organisation of a great fair is very characteristic of mediæval business methods. From the moment of its formal opening until the moment of its formal closing, no buying and selling might be carried on outside it in the town at which it was held. During that time the proprietor and his officials were responsible for keeping order and settling disputes. For the latter purpose a special temporary court would be organised, the Court of Piepowder, to which travelling merchants with dusty feet (*pied poudré*) would submit their quarrels. The maintenance of order in the great fairs can have been no light duty; and we hear of furious battles breaking out between the merchants of different towns in the course of business.

The growth of the towns meant, in the second place, that considerable bodies of professional industrial craftsmen were coming into existence.

This would naturally happen because the increasing needs of the town for agricultural produce would stimulate an increasing output of such goods and services as the townsmen could offer in exchange. Although we must remember that a mediæval town was capable of growing a good deal of food, and housing a good number of beasts both inside and outside its walls, yet we may assume that, on the whole, where town life flourished, the household system of industry as described in Chapter I. was giving place to the handicraft system. Men were ceasing to produce mainly for their own immediate needs, and were becoming

*The  
craftsmen  
and their  
gilds.*

more and more dependent on specialised production for exchange. This development was certainly at work all through the twelfth and thirteenth centuries, and by the end of the fourteenth not only had the towns become centres of highly-skilled craftsmanship, but practically all the various groups of specialised craftsmen had managed to organise themselves into separate bodies called 'craft guilds,' and known in their own day either as 'crafts,' 'mysteries,' or 'companies.' Thus in each town the weavers, the skimmers, the fletchers (arrow-makers), the bowyers, the leather-sellers, the vintners, and any other industrial groups which happened to exist, would have their separate organisation, whose object would be generally to maintain a high standard of life for its members.

We can see that under mediæval conditions, as indeed under modern conditions, there would be a natural tendency for such organisation to grow up. In the first place, it was not unusual for members of the same occupation to settle in the same street. If we take, for example, the modern City of London, the names Bread Street, Beer Street, Milk Street, Fish Street, and Old Change, suggest that this was the case. The booksellers of Charing Cross Road, the cinema film companies of Soho, the furniture shops of Tottenham Court Road, or the bicycle shops of Holborn Viaduct, show the same tendency to-day. And at a time when church observances played a larger part in people's lives than they do to-day, men of the same occupation would drift towards the same church and a common religious life would develop among them.

In the second place, if we recall to mind the whole attitude of mediæval public opinion towards trade and prices, we can imagine that the municipal authorities would be delighted to have some organisation through which they could exercise control of prices and quality.

*The policy  
of the  
gilds.*

In fact, it was not only in the interest of the craftsmen to organise for their own trade protection and social intercourse, it was also in the interest of the municipal authorities, as representing the whole town, that the craftsmen should organise and so provide machinery for the supervision of quality and the regulation of prices. And so we find the craft gilds entering into very close relations with the municipal authorities, and receiving from them both privileges and duties. As a privilege they were given the legal monopoly of their trade; that is to say, where a gild existed, no man who was not a member might practise the trade of that gild. As a duty they were made responsible for the maintenance of good quality work and reasonable prices. For this purpose the members of the gild would elect one or more wardens whose business it would be to inspect the work of the members and see that it was up to the required standard. As a result of this obligation we often find that the rules of a mediæval craft gild would contain a prohibition of night work—not because it was supposed to have a bad effect on the health of the worker, but because, owing to bad lighting, and the difficulty of inspection, it was supposed to have a bad effect on the quality of the work.

When we come to look at the internal organisation of these craft gilds, we are able to see clearly the

fundamental difference in economic organisation between the mediæval handicraft system of industry and the factory system as we know it to-day. The gild contained, as we have seen, all persons engaged in a given occupation. No man might carry on that occupation outside the gild. But so long as the necessary standard of work was attained, and the regulations of the gild obeyed, membership was open to all.

Within the gild three classes of members were usually recognised. Lowest in the scale were the apprentices, who would usually be bound for seven years, and would, during that time, live in a master's house as a member of his family. The master was responsible not merely for the apprentice's technical training, but also for his manners and morals; and the apprentice might be chastised within reasonable limits. In spite of such discipline, however, the apprentices seem to have been a riotous set, and we find them in the forefront of many of the disturbances and street battles of mediæval London.

A second grade of membership would consist of the journeymen, or day labourers; these were men newly released from apprenticeship, but not yet ready to set up in their own workshops as independent masters. They would, as a rule, work for wages under a master, and would expect, as a matter of course, after a time to become masters themselves.

Finally, there would be the fully fledged members, the masters of the craft, working with their own tools on their own materials, enjoying the full privileges of gild membership, and capable of being elected to such offices as warden or overseer.

All these classes of members would have their part in the social functions of the gild, which would be as important a factor in the lives of members as its economic functions. In the first place, the gild would organise corporate religious observances; and a gild might undertake to keep a wax candle burning before its patron saint, or maintain a chapel in his or her honour. In the second place, it would act as a benevolent society for the relief of members in distress, for the maintenance of their widows or the education of their children. These charitable functions were increased as time went on by the bequests of gild members, and we find the gilds acquiring possessions in the form of land or buildings, and founding schools such as the Merchant Tailors' School in the City of London. In the third place, the gilds contributed largely to the pageantry of mediæval life by the organisation of processions and the acting of plays—'mystery plays.' Indeed, such drama as existed in the Middle Ages 'was mainly due to the activities of the gilds; and it was customary for a craft to select some appropriate scene from the Scriptures and act it in public on certain days in the year. Thus the Shipwrights would select the building of the Ark as their subject, the Vintners, the marriage of Cana. Some of these dramas must have been exceedingly ambitious productions, as we may gather from John Stow's reference to a play performed by the parish clerks of London in 1409, which 'lasted eight days and was of matters from the creation of the world.'

*The social  
life of the  
gilds.*

We are now in a position to make our comparison

between mediæval and modern industrial organisation.

*Mediæval and modern industry compared.* It stares us in the face. Under the handicraft system of industry as it existed in the late Middle Ages, there was no social or economic cleavage between employer and employed. There was no permanent wage-earning class. Every apprentice and every journeyman hoped in time to become an independent master, training apprentices and employing journeymen of his own. And the fact that he was a master did not mean that he gave up working with his own hands; it simply meant that he had attained a recognised degree of skill and standing in his occupation. The word 'capital' never entered into business discussion at all. It had not been invented. And this was not because capital did not exist—a man's tools were his capital, so was his workshop and his material—but because it was of such a simple nature that every man could possess his own, and because it played a very small part as compared with the personal skill with which its owner used it. Capital did not, in fact, exist as an instrument of production to be owned by one man, and used, at a price, by another. That is why there were no 'fund-holders' in the manorial villages.

## CHAPTER IV

### THE CLOSE OF THE MIDDLE AGES

Ah, there is no remaining!

Ever the tide of Ocean ebbs and flows.

Over the blue sea goeth the wind complaining,

And the blue sea turns emerald as he goes.

MARY COLERIDGE.

WE must now pass to the century of change which brings the mediæval period of history to an end, and with it the manorial and gild system, whose main outlines we have traced. The change did not come quickly, and it did not begin suddenly. Life on the manor may have moved slowly, but it did, as a matter of fact, move; and all through our late mediæval period certain economic processes were taking place which paved the way for the more rapid developments of the fifteenth century.

*The process  
of change  
in manorial  
life.*

The friction of the waves may take years to eat away the cement from between the stones of a sea-wall, in preparation for the storm which brings it down. And even then, only the stones which resist the sea's force will lose their place. Others may be left embedded in the shingle to show later generations what kind of a sea wall once stood in that place. Let us imagine, then, that the sea-wall is the feudal organisation of England; that the cement which holds its parts together

is customary personal obligation; and that the sea is the restless, insatiable force which we may call economic endeavour, or the desire of man to increase his wealth. And having so far interpreted this parable, let us return to our manorial village organisation and see by what gradual process its cement was being loosened.

The process was a simple one; it consisted in the occasional substitution of money payments for labour services. Such an exchange would often be to the obvious advantage of both lord and tenant. It is a well-known fact that forced labour is bad labour; and undoubtedly the three days' work which the tenant performed on his lord's estate took less out of him than the three days' work which he performed on his own. The lord's bailiff might stand over him and bully him, but he could not be dismissed like an ordinary wage labourer because he was tightly tied to his holding by 'the custom of the manor.' Small wonder, therefore, that the lord would often prefer to exchange or 'commute' his services for a weekly money payment equivalent in value to whatever labour the tenant might happen to owe. With such money the labour of cottars might be hired, and better work obtained. The tenant, too, would stand to gain, for he would be free to work in his own time and to put his full energies into his own land. Such was the process generally known as 'commutation of labour services.'

But two important conditions are necessary if the commutation of labour is to take place. In the first place reliable coined money must exist,

*The  
commutation  
of labour  
services for  
money.*



and people must be fairly accustomed to handling it as a medium of exchange. We see then, that the action of the kings of England, and especially of Edward III., in improving the coinage, had an indirect effect on manorial life.

*The conditions for commutation.  
(a) Money.*

In the second place, not only must the tenant be capable of raising on his land a surplus of produce over and above what is necessary to meet his own family needs, but he must also be able to sell that produce to somebody and so obtain the money for his payments. Otherwise, whatever money is being coined by the king will not find its way into the manorial village. It is here that the rising towns of the later middle ages influence village life. The larger the towns grew the greater became the demand for the agricultural products of the villages. The larger the demand for agricultural produce, the greater the tenant's opportunity for selling his surplus produce, obtaining money, and freeing himself from his labour dues. And where this process actually occurred we may say that the ancient 'natural economy,' the direct barter of goods and services, was giving place to the modern 'money economy,' the indirect exchange of goods and services through the medium of money.

*(b) The production of a surplus*

*and the existence of a market.*

Exactly when this commutation of labour services began to occur in the mediæval villages it is difficult to say. Certainly we find cases of it as far back as the reign of William the Conqueror. And the records of manorial courts show that such agreements between

lord and tenant had become quite common by 1348, although the typical manorial tenancy was still based on labour services.

After 1348, however, things began to move more quickly as the result of a violent upheaval which, like the recent war, did much to loosen old customs, and make people criticise their traditions. In 1348 the Black Death broke out in the south-western counties, and during the few years which followed, it swept through England as it had swept through Europe. It stayed no more than a few weeks in each locality, but passed on, leaving, it is calculated, nearly half the population dead. The dirt and overcrowding and monotonous feeding of mediæval life helped it forward and strengthened its hold. It is impossible to calculate in reliable figures exactly what the Black Death meant to the economic life of England. As a rough estimate it has been suggested that it reduced the population of England and Wales from four and a half million to two and a half million. But some of the manor court records of these years show a hideous death-roll, and in certain places economic life seems to have come temporarily to a standstill; rents could not be collected, cultivation declined, and the lord of the manor reaped a quick harvest of fines paid by the heirs of dead tenants.

But ultimately, of course, the lord was bound to suffer. The number of his tenants, on whose labour he was dependent, seriously decreased; and as a natural result of labour scarcity, those who were working for wages became conscious of their value and began to ask for more. Meanwhile, the few

tenants who had already commuted their services for money payments were in a most favourable position. They found themselves making weekly payments equivalent to the customary value of two or three days' labour *Labour scarcity and its results.* before the plague. But after the plague such labour had become twice, or perhaps three times as valuable. Naturally then, here was a new reason why tenants should wish to commute their labour (since commutation would take place at the old customary rates), and a new reason why lords should prefer to stand by the old arrangement of direct labour service. Where they did commute labour services for money payments they found that those money payments would not purchase anything like the corresponding amount of hired labour. But it was dangerous to refuse, because if a serf chose to run away from his manor, so great was the demand for labour elsewhere, that his own lord found it exceedingly difficult to get him back.

It was natural that the lords should be indignant and perturbed at the turn of events, especially when we recall to mind the whole attitude of mediæval public opinion towards value and price. The labourers were, according to the views of their employers, behaving like corn-dealers during a famine; they were taking advantage of their masters' necessity during a time of scarcity to demand more money for their labour than the 'just price' allowed them by immemorial custom. The lords, therefore, felt that they were justified in appealing to the king for help, and the king felt that he was justified in responding to their

appeal with the famous Ordinance of Labourers of 1349.

Briefly, the Ordinance of Labourers proclaimed that every able-bodied working man or woman under sixty years of age and not engaged in trade or craftsmanship, must serve 'him who shall require him . . . in a suitable service, regard being had to his rank.' Moreover, such service was to be rendered at the old customary rates of wages, and any man asking or paying more than these old rates was liable to prosecution. To complete the scheme, it was ordered that, on pain of imprisonment, no alms were to be given to 'sturdy beggars' capable of work, and no seller of victuals was to charge unreasonable prices or reap excessive profits. Summed up in modern language, we may say that the Ordinance of Labourers embodied a policy of industrial conscription, and a maximum wage, combined with a vague clause against profiteering for the protection of the wage-earner against rising prices.

This proclamation was followed up in 1351 by a Statute of Labourers embodying the same policy, and providing for the appointment of a number of Justices of Labourers in each county whose business it was to see that the Statute was carried out.

But the law of supply and demand was on the side of the labourers. As Cobden has said, when two labourers are running after one master, wages will go down, when two masters are running after one labourer, wages will go up. In this case two masters were running after one labourer, and wages continued to rise in spite of the Statute. So great indeed was the

*The  
ordinance  
of labourers,  
1349.*

infectiousness of increasing wages that in 1351 we actually hear of a priest who was hauled before the new Justices of Labourers for refusing to 'minister to any the sacrament of marriage unless he have from each man 5s. or 6s.' And the fact that the Statute of Labourers was re-enacted fifteen times during the century which followed, with increasing severity towards the 'sturdy beggar,' suggests that it was not a very satisfactory piece of legislation.

Meanwhile, not only were the lords obliged to face a rise in wages, they were also obliged to face a great increase in the commutation of labour services. Where tenants pressed for commutation it was very difficult to refuse them in view of the possibility that they might throw up their holdings and seek shelter in a neighbouring manor.

If we take a general view, therefore, we shall see that a state of seething labour unrest was developing in the majority of manorial villages.

Labourers were asking and getting high wages; lords were using the machinery of the Statute of Labourers to resist them and prosecute wherever possible; and in the background the religious revival inspired by Wycliffe and the fiery preaching of John Ball was stimulating wild revolutionary talk about the equality of man and the wickedness of private property. The friction ended in the Peasants' Revolt of 1381, brought to a head by the government's attempt to collect an unpopular poll-tax. Bands of peasants marched from village to village, burning down manor courts and calling out their fellow-workers to join in the revolt. Finally, a great march of armed peasants to London

*Labour  
unrest and  
the Peasants'  
Revolt,  
1381.*

began, and we hear of violence and pillage within the city gates, ending with the famous Smithfield scene in which the young king, Richard II., faced an angry mob whose leader, Wat Tyler, had been struck down by the Lord Mayor.

By the end of 1381 the disturbance was over. It had been crushed out by armed force, and the peasants who had taken part in it suffered bitter penalties. But no amount of flogging or hanging could alter the root fact: the law of supply and demand was still on the side of the peasant. Wages continued to rise, and the commutation of labour services was pressed forward rapidly on manor after manor. By the middle of the fifteenth century, practically all over the country,

*Disappearance of labour services.* customary tenants, or copy-holders as they came to be called later, were paying a money rent instead of the old week work which had made life burdensome to their forefathers.

So far, however, we have only traced the fortunes of one class of tenants: the villains and cottars holding on a servile tenure. If we turn to the class

*The increase of the free tenants.* of free tenants we shall see that, to them also, these years brought changes. From the Norman Conquest onward, we find the

lords of manors from time to time creating new free tenants, either by taking in new land from the waste, or by letting a part of the demesne. As with the gradual commutation of labour services, so with the gradual creation of free tenants, we find a slow process hastened by the labour unrest which followed the Black Death. There were two reasons for this. In the first place, where a family of servile

tenants died out the lord would often let the vacant land to a new free tenant. In the second place—this is perhaps more important—there was great temptation for a lord faced with labour scarcity to let the whole or part of his demesne to a free tenant, and so escape the intolerable burden of cultivating it himself. This was an exceedingly important development, because here we begin to get on a large scale the rise of a class which we know so well to-day: the ‘farmer,’ or, as he was sometimes called, the ‘fermor,’ or ‘firmor,’ from the Latin word *firma*, a fixed payment. These farmers would pay a money rent determined not by the ancient customary value of so many days’ labour, but by free competition among men who wanted to cultivate land and lords who wanted to let it.

We must not fall into the error of imagining that all over England there had come a sweeping change, and that in the course of a century the manorial system had completely remodelled itself on modern lines. What had happened was briefly this: during the hundred years or so which followed the Black Death, on a large number of manors labour services finally gave place to money payments; and as the old feudal custom of personal service faded away, the old feudal idea of personal servitude seemed to fade away with it. Meanwhile, on a large number of manors the lord’s demesne, and part of the common waste, fell into the hands of a free leasehold farmer class.

But now we may be tempted to ask, how did the customary tenant or copy-holder, paying a money rent, really differ from the free leasehold farmer? The answer is summed up in the words ‘security of tenure.’ The farmer had his lease—a piece of

paper embodying a free contract giving him the use of so much land for a given term of years

at a specified rent—a contract which the king's courts would recognise and enforce.

*Security  
of tenure.*

The copy-holder, on the other hand, had, as a rule, no security but the 'custom of the manor.' His manor court might possibly contain a record of his own or his ancestor's commutation agreement; on the other hand, such records might have been burned by the tenants themselves during the Great Rebellion. 'Customary tenants,' says Fitzherbert, writing in 1539, 'are those that hold their land of their lord by copy of court roll after the custom of the manor. And there may be many tenants within the same manor that have no copies and yet hold by like custom, and service at the will of the lord.' But it appears that in the fifteenth century the law courts themselves had not definitely decided whether it was their business to enforce the 'custom of the manor.'

Nevertheless, we may take for granted that custom was still a power to be reckoned with on the manor even in 1450. The lord would probably acknowledge the tenant's right to his land because there was no strong reason why he should wish to get rid of him. But suppose that some strong reason should arise? Suppose that the lord should wish to put an enterprising farmer in the customary tenant's place; a man who could get more out of the land and so pay a higher rent? Such a thing would have seemed inconceivable in the slow-moving times before the Black Death—not so inconceivable in 1450. Or suppose again that the lord, with an eye on the expanding cloth industry



and the rising price of wool, should conceive the idea of getting rid of his tenants and turning his whole manor into a gigantic sheep farm?

Would the 'custom of the manor' stand against such economic forces any better than it had stood against the law of supply and demand after the Black Death?

Before answering these questions we must turn back once more to that other side of our story, the towns and their industries. We shall see that here, too, mediæval organisation was crumbling, undermined by that force which we have described as economic endeavour, or the desire of man to increase his wealth. We have traced the rise of a well-ordered gild system, of an organisation of industry which seemed to arise naturally among groups of town craftsmen working with their own capital, and in many cases selling their own goods direct to the final customer or consumer, without the help of a dealer or trader. Let us adopt the well-worn economic term and speak of any dealer or trader who stands between the man who produces a commodity and the man who consumes it as a 'middleman.' Briefly, it was the coming of the middlemen during the fifteenth century which upset the gild system.

*The process  
of change in  
town life.*

*The coming  
of the  
middleman.*

No sooner do we see this harmonious and picturesque gild system in full swing than we begin also to see signs that it is ceasing to fulfil the needs of industry; and that the gild organisation itself is decaying. We do not, of course, find that all industries develop the gild organisation simultaneously, and that simultaneously all gilds begin to show signs of decay. On

the contrary, one industry might find itself outgrowing the gild system at a time when another industry was just beginning to evolve it. The cloth industry, for instance, outgrew it about a generation earlier than the mass of other industries. What we do find, however, is that somewhere about the end of the fourteenth century there are signs that in many industries, and especially in the cloth industry, the gild organisation is beginning to change very fundamentally.

The first symptom of change which we notice is the fact that in many gilds small groups of masters were growing extraordinarily rich.

*Signs of  
change in  
gild life.*

Our old friend, Dick Whittington, is an outstanding example of a London gildsman who grew fabulously rich at the end of the fourteenth century. Indeed, so great was his wealth that he is said to have entertained King Henry V. by burning £60,000 of war bonds in his presence; a story which is every bit as romantic, and at the same time more credible, than the exploits of his cat. And when there arises within an industrial organisation a small group of persons much richer than the rest, it is not unlikely that they will act as a disturbing and inharmonious influence. In practice the thing worked in this way: in a large number of gilds, masters who had formerly worked side by side with their journeymen and apprentices gradually gave up working with their own hands and became simply employers or dealers, buying the materials and selling the finished goods, and setting other men to work for wages.

This tendency affected the gilds in two ways.

On the one hand, we begin to see arising within the gild organisation small groups of masters who assume special privileges. Instead of the old democratic government of the craft by all duly qualified masters, equal in status, we begin to get the concentration of power in the hands of a kind of inner ring of richer and more influential men. Sometimes this inner group would be known as 'those of the livery,' that is to say, those rich enough to buy ceremonial suits of clothes for state occasions. This development would naturally tend to undermine the old corporate feeling of the craft.

(a) *The organisation of the liverymen.*

On the other hand we begin to see arising within the gild organisation groups of journeymen who remain permanently employed—who never become independent masters at all—and who therefore resemble the permanent wage-earning class of to-day. This development seems to have been partly the result of deliberate exclusion on the part of masters, who sought to limit their own numbers by making it as difficult as possible for new men to set up as masters after the completion of their apprenticeship. Exactly how they did this we shall see presently. The result was that we begin to find, again somewhere about the end of the fourteenth century, the rise of a labour question in the modern sense: a conflict of interest between employer and employed. Where groups of wage-earning journeymen became conscious of their permanent dependence on wages, and of attempts on the part of the masters to keep them dependent, there we begin to find the journeymen setting up separate

(b) *The organisation of the journeymen.*

gild organisations of their own. Such organisations would be called 'journeymen gilds,' 'bachelor gilds,' or 'yeomen gilds,' and with their coming we begin to notice references to wage disputes and strikes.

Naturally such organisations would be bitterly resented by the masters, and we have records of vigorous attempts on the part of the masters to suppress them. At the end of the fourteenth century, for example, the master saddlers of London had a long struggle with their journeymen, the records of which show that the journeymen had not only organised a gild of their own, but had invested it with all the ceremonial of a craft gild proper. In 1396, according to the Guildhall records, 'there had arisen no small dissension and strife between the masters of the trade of saddlers of London and the serving men called yeomen in that trade; because that the serving men aforesaid, against the consent and without the leave of their masters, were wont to array themselves all in a new and like suit once in the year, and oftentimes held divers meetings . . . whereby many inconveniences and perils ensued to the trade aforesaid'; accordingly the master saddlers appealed to the Mayor and Aldermen, entreating that the six leaders of the journeymen might be summoned to appear before them. This was done, and the six leaders 'being interrogated as to the matters aforesaid,' declared that 'time out of mind the serving men of the said trade had had a certain Fraternity among themselves, and had been wont to array themselves all in like suit once in the year, and, after meeting together at Stratford, on the Feast of the Assumption of the Blessed Virgin Mary, to come from thence to the Church of St Vedast in London, there to hear Mass

on the same day, in honour of the 'said glorious Virgin.' On the face of it what could have been more innocent, more holy? 'But,' we are told, 'the said masters of the trade asserted to the contrary of all this, and said that the Fraternity and the being so arrayed in like suit among the serving men dated from only thirteen years back . . . and that under a certain feigned colour of sanctity many of the serving men in the trade had influenced the journeymen among them and had formed covins (conspiracies) thereon, with the object of raising their wages greatly in excess . . .' It was further complained that the serving men were in the habit of calling a general stoppage of work on the occasion of a member's funeral. Finally, the Mayor and Aldermen summoned a meeting of six masters' representatives and six men's representatives, and after each side had argued its case, the following decision was given:—In the first place, the serving men were in future to be 'under the governance and rule of the masters of such trade; the same as the serving men in other trades in the same city are wont, and of right are bound to be, and that in future they should have no Fraternity meetings or covins. . . .' In the second place, the 'said masters must properly treat and govern their serving men. . . .' In the third place, the serving men should have right of appeal to the Mayor and Aldermen 'as to any grievance unduly inflicted upon him by the masters aforesaid.'

This last condition suggests a third big change that was coming over the guilds. They were losing the confidence of public opinion. In place of the old semi-public professional bodies open to all good craftsmen and working for the protection of the consumer

against bad wares, "they were developing into close privileged corporations of rich men, for the preservation of trade monopoly. In 1396, as we have seen, the Mayor and Aldermen of London foresaw the possibility of having to protect the saddlers' serving men against their masters. But in 1504 it seems that even the municipal governments were no longer regarded as capable of keeping the gilds in order, for in that year we get a statute requiring them to submit their ordinances to the central government on the ground that these were often unlawful and unreasonable.

The fact that the gilds richly deserved such humiliations is illustrated by the statutes of 1531 and 1536, both aimed against the practice of attempting to prevent apprentices from becoming masters. The first of these statutes prohibits the gilds from charging such heavy entrance fees that few apprentices can afford to become full gild members. The second recites that the gilds have evaded the first by forcing apprentices to swear 'upon the Holy Evangelist' that they will never set up as independent masters, and accordingly prohibits this practice too.

But the worst blow of all came in the reign of Edward VI., when, as a result of the quarrel between Henry VIII. and the Pope, a mass of property held for religious purposes was seized by the Crown—nominally for the creation of grammar schools. This meant that so much of the property of the gilds as had been devoted to religious observances and the maintenances of chapels was taken from them. The seizure did not directly affect their charitable

(c) *The beginning of government control.*

(d) *The loss of religious funds.*

work, nor of course their trade functions, but, as we have seen, religious observance played a large part in their corporate life, and undoubtedly the loss of so much property and pageantry left them weaker.

At this point we may bid the gilds farewell; not because they ceased to exist, but because they ceased to represent the mass of workers engaged in industry. As a matter of fact, they continued to exist, and to play quite an important part in the regulation of industry, during the sixteenth and seventeenth centuries. They existed, however, because the government, as we shall see later, itself came to play an important part in the control of industry, and found that what was left of the gild organisation could be turned into a useful piece of administrative machinery for the enforcement of its policy in the towns. To-day, where the gilds exist at all, they exist simply because history has bequeathed them property to administer and a part to play in municipal affairs. Their principal home is the City of London, where the Livery Companies, as they are now called, own a mass of very valuable property, administer a number of schools, elect certain municipal officers, and spend a good deal of money on luxurious banquets. But they no longer have any active connection with the trades after which they are named; and when we see a carriage full of respectable frock-coated old gentlemen representing 'the Worshipful Company of Fishmongers' in a Lord Mayor's Show, we can easily imagine that those same fishmongers have never handled fish except at the end of a knife and fork.

Meanwhile, if the mass of actual workers were no

longer represented by the gilds, what was happening to them?

The most important fact about them was that their numbers were increasing rapidly—especially in the cloth industry. We may gather this by

*The  
expansion  
of the  
cloth  
industry.*

a glance at the cloth export figures. In 1354 this country exported 5000 pieces of cloth; in 1509 it exported 80,000. Now, obviously, it is not possible to increase an

industry in this way without at the same time increasing the number of people employed in it; unless, of course, the increased production represents an increased output per head resulting from some important labour-saving invention. But we know that in the fourteenth and fifteenth century there was no important labour-saving invention. We know also that this increased industrial population was not growing up in the towns; on the contrary, the towns were, if anything, declining in population and importance during the closing period of the Middle Ages. This was no doubt partly due to the exclusive and tyrannical policy of the gilds, which made it very difficult, or even quite impossible, for new men to set up in an industry in response to an increased demand for goods. As a result, the new men would prefer to set up their handicraft not in a corporate town, but in a country district, or a village, or a little market-town which was nothing more than a large village; somewhere, in fact, where the gild and the municipality had no power over their business affairs.

Thus the breakdown of the gild system, with its minute control and its concentration of industry in the towns, was accompanied by the rise of unorganised



rural industries scattered over the country-side. And outstanding among the new industrial areas were the great cloth-making districts of the eastern counties, Norfolk, Suffolk, and Essex, of the western counties, Wiltshire, Somerset, and Devon, and later of the cloth-making district which grew in importance to overshadow all the rest—Yorkshire.

This new system of scattered industry has been called by historians 'the domestic system.' Under it, the worker continued to live in his own home and work in his own time with his own tools. But he no longer marketed his own goods. He was dependent for that upon a dealer or middleman. Sometimes, as in the Yorkshire cloth-making districts, he would work independently, buying his own raw material from the nearest town, afterwards returning there to sell the finished goods in the cloth market. Often, as in the eastern cloth-making counties, he would work for piece wages, like a modern East London tailoress, receiving his raw material on commission from a middleman, and returning it to him when finished. A statute of 1555 gives us a glimpse of the lives of the Yorkshire cloth-makers who 'lived in great wastes and moors.' Here it is recited that 'the same inhabitants altogether do live by cloth-making . . . nor yet able to buy much wool at once, but hath ever used only to repair to the town of Halifax and some others nigh thereunto, and there to buy upon the wool driver, some a stone, some two, and some three, and four, according to their ability, and to carry the same to their houses, some three, four, five, and six miles off, upon their heads and backs, and so to make and convert the same

*The  
domestic  
system.*

either into yarn or cloth and to sell the same . . . by means of which industry the barren grounds in these parts be now much inhabited, and above five hundred households there newly increased within these forty years past . . .’

We have come then to the third stage of industrial evolution mentioned in Chapter I.—the *domestic system*. The worker, in so far as he lives outside a corporate town, is now free from gild control, but he is dependent upon a chain of middlemen, dealers, merchants, shippers, who carry his product to its final purchaser. And these same middlemen are, many of them, the rich descendants of the old gildsmen who worked as masters with their own hands, among their own apprentices. Moreover, they are capitalists, wealthy men doing business on an ever-increasing scale for an ever-widening market; and that is why we may speak of the domestic system as an early form of capitalism.

But in order to get some idea of how this large scale business came to develop, partly as a cause, partly as a result of the fortunes which were being made in the cloth industry, we must widen our horizon. We must see England in relation to Europe, Europe in relation to the world.

## CHAPTER V

### THE BIRTH OF A SEA POWER

We are far from the sight of the harbour lights,  
Of the seaports whence we came,  
But the old sea calls, and the cold wind bites,  
And our hearts are turned to flame.

And merry and rich is the goodly gear  
We'll win upon the tossing sea,  
A silken gown for my dainty dear,  
And a gold doubloon for me.

It's the old, old road and the old, old quest  
Of the cut-throat sons of Cain,  
South by west, and a quarter west,  
And hey for the Spanish Main.—MASEFIELD.

IF we take an external view of England in relation to the world as it is to-day, we see her as a great power by virtue of wealth, population, and empire, standing between two civilised *England and the world, to-day,* continents, and commanding the trade routes of the world.

An eleventh-century view shows us a very different picture. We see her as a little, self-contained, thinly-populated, forest-grown, misty island, on the very edge of the map, set in an ocean whose western bounds were unknown, *and in the eleventh century.* whose waters served as a barrier rather than as a highway. When the Pope's emissaries travelled north from Rome, through the great trading cities of south Germany, at last, with

the world's wealth and commerce left behind them, they would come to England, the outpost of Christendom.

But the Pope's emissaries were not the only people who made this laborious journey with its precarious sea crossing. Merchants came to buy and sell goods; and the kind of trade which they carried on is very much the same kind of trade that we carry on to-day with the backward races of tropical Africa. We sell luxuries such as clothes or wrist-watches, and we buy necessary raw materials such as rubber or copra. The merchants who came to this country in the Middle Ages from the great mercantile cities of Italy, or the trading and manufacturing centres of Flanders and South Germany, brought luxuries such as wines, fine textiles, silks, or indigo and spices from the East, and carried away necessary raw materials such as tin, hides, corn, and, above all, wool. In this sense our foreign trade was *passive*; that is to say, it was almost entirely in the hands of foreigners, who brought us our imports and carried away our exports in their own ships.

*The meaning of 'passive' foreign trade.*

Mediæval commerce centred round the Mediterranean seaboard. And the great mercantile powers of Europe were the Italian city states of Venice and Genoa. Our own Lombard Street, the historic centre of banking and finance, reminds us by its name of the old financial prestige of northern Italy and of the part which Italian financiers played in London. These Italian cities were gloriously placed for business enterprise. To the east, their ships commanded the Levant, and their merchants were in touch with the caravan routes by which spices

and silks, carpets and dyes, found their way from Asia into Europe; to the west, greatly daring, their seamen could sail out through the Straits of Gibraltar into the Atlantic, coasting up northward to the flourishing cities of Flanders, and calling at England on their way. Meanwhile, as we have already hinted, there were alternative ways of getting into touch with the business centres of northern Europe. The passes of the Alps opened a route to those other great centres of mediæval trade—the cities of south Germany; from thence by road or Rhine there would be a constant stream of traffic to and from the north German seaports, Antwerp, Bremen, Lübeck, which opened up the trade of Scandinavia and the Baltic shores, and the Flemish cloth-making centres, Bruges, Ghent, and Ypres.

As far as our own outlying and comparatively unimportant little island was concerned, the great mass of foreign trade came from two directions; the principal groups of alien merchants who visited the country were the Venetians and the Germans. It is desirable to dwell on the word 'group' because in accordance with what we already know of mediæval custom, business enterprise was carried on by organised groups rather than by individuals. Venetian merchants, for instance, though each was responsible for his own buying and selling, subject to English regulations and customs, brought their goods in the great state-owned fleet which the Venetian Republic fitted out every year for the northern sea passage. These ships were known as the 'Flanders Galleys,' because their ultimate destination was the Flemish coast; but a number of them would break

*The  
Italians  
and the  
Germans.*

away in mid-channel and put into Southampton, where their merchants were allowed various trade privileges in accordance with treaty agreements between the two governments.

More important even than the Venetians were the German merchants of the Hansa or Hanseatic League, a powerful confederation of North German cities, Cologne and Lübeck being prominent among them. The Hanse League served its members by negotiating trade privileges and by maintaining depots or trade settlements in the countries where they habitually carried on business. Such Hanse settlements existed as far afield as Bruges, Novgorod, Bergen, and London. In London they owned a lordly building on the Thames-side near Dowgate, known as the Steelyard, and containing, besides offices and warehouses, residential quarters and a banqueting hall for German merchants doing business in the city. These highly privileged merchants of the Hanse League were for many years the principal exporters of our incomparable wool, on which so many thousands of Flemish cloth-workers were dependent.

On the English side, too, the regulation of foreign trade was fairly close. Of what use to subject the native merchant to a network of restrictions if the alien is allowed to regrade, forestall, and engross at his own sweet will? But it was partly due also to a very natural jealousy on the part of the native merchant, and a desire to prevent the alien from usurping his place and acting as retailer of goods to his own customers. Accordingly, we find the alien merchant subject to the custom of 'hosting';

*The  
regulation  
of foreign  
trade.*

the time during which he might reside for business purposes in a given town was limited, generally to forty days, and during that time he was obliged to reside in the house of a responsible English burgess, a host under whose eye all his business transactions were carried on. As a matter of fact, the treatment of aliens was the subject of constant wrangling between the townsmen who regarded them as undesirable competitors, and the king, who often found it financially and politically desirable to grant them privileges—at a price. Indeed, their presence sometimes gave rise to the kind of little wars described in Chapter II.

In so far as our own merchants took part in export business, we find them organised in a body called the Staplers or Merchants of the Staple; and their principal article of commerce was wool. Their name is connected with the mediæval policy of confining the trade in wool, and certain other less important commodities, to particular towns—so called ‘staple’ towns. The staple, that is to say the fixed market for wool or any other commodities which the government might choose to treat in the same way, would be moved from time to time, nor was it confined to English towns alone. Bruges and Calais were at different periods chosen as staple cities for the trade in English wool. Obviously, a trade which is confined to certain definite places is easier to control and regulate than one which is carried on indiscriminately all over the country; in particular, the business of collecting export duties is immensely simplified. This, of course, is the reason why the policy of the staple was adopted.

*The  
Merchants  
of the  
Staple.*

Such, then, was the general character of our relations with the world at large in the days when English foreign trade was 'passive.' We have now to trace some of the stages by which it became active, and in order to do so we must consider two tremendously important developments which made themselves felt towards the close of the Middle Ages. The first of these developments is the *growth of the English cloth industry*; the second is the *geographical discoveries*.

So far we have been considering an England whose principal export was raw wool; an England whose cloth industry was for the most part concerned with rather rough and ready material for home consumption, an England whose aristocrats were dependent for their best clothes on the finer textiles of Flanders. In the reign of Edward III., however, a definite policy was adopted for the improvement of home industry. In 1337 a statute was passed promising protection and safe conduct to 'all the cloth-workers of strange lands' who cared to settle in this country. The invitation was followed up by a temporary limitation of the import of foreign manufactured cloth and the export of raw wool. The statute of 1337 represents a deliberate attempt to improve the technique of our own craftsmen by bringing them into contact with more highly skilled artisans. It succeeded principally because political conditions in Flanders were so unrestful that large numbers of cloth-workers hastened to take advantage of the offer and set up their craft in the comparative security of this country. Their



settlement was not always accomplished without friction, in view of the jealousy of many of the English craft gilds; nevertheless, the coming of these alien immigrants under royal protection had a powerful and lasting influence upon our cloth industry, which improved both in quality and quantity. The event is, however, important from another point of view; in addition to sowing the seeds of industrial efficiency, it meant that the government at Westminster was taking a long view and attempting to promote the productive power of the country as a whole.

We have already considered, in connection with the breakdown of the gild system, how this expansion of the cloth industry affected industrial organisation within the country. We have now to consider how it affected our relations with the world. It meant, as we have seen, the rise of wealthy men; of men who, given the opportunity, would be glad to employ their capital in doing what the Venetians and Hansards had been doing so profitably for generations—that is to say, in trading with foreign countries, establishing trade settlements, and negotiating for trade privileges. And in manufactured cloth they found something better worth exporting than the raw wool with which the conservative and unenterprising Staplers were concerned. We therefore get at the end of the fourteenth century, the rise of a new group of English merchants, the Company of Merchant Adventurers whose subsequent history proved that they were indeed adventurers of the boldest kind.

From the first, these Merchant Adventurers found themselves up against two powerful forces: the Hanse League, armed with the valuable commercial

privileges which it had purchased from the English government, and the Flemish weaving cities, which furiously resented the competition of English goods in the European market. Moreover, during their early struggles, they were not well supported by their own government, which had become dependent on the financial help of wealthy Hansards, and was afraid of offending that body.

*The rise  
of the  
Merchant  
Adventurers,*

However, in 1406, the Merchant Adventurers obtained a footing on the Continent, and settled in Bruges. In 1494 they moved to Antwerp, under the protection of the Duke of Brabant, and there they remained for nearly a hundred years. As a result of their sojourn, and of the trade which they brought, Antwerp grew in wealth and population. In 1557, however, began a second round of their battle. In that year Queen Mary was persuaded to take away from the Hanse League one of its most important privileges: the right to export cloth at a lower duty than was permitted to English merchants. This meant that from 1557 onwards Hansards and Merchant Adventurers competed on an equal footing. The Hansards were naturally outraged, and by way of retaliation exerted all their efforts to get the Merchant Adventurers expelled from northern Europe. From Antwerp they were driven to Emden, from Emden to Hamburg, from Hamburg to the smaller towns, where they had to carry on their trade as best they could in the teeth of the hostility of the Emperor, who supported the Hanse League. But two factors saved them. In the first place, English cloth had become a necessity to northern Europe. In the second place,

Queen Elizabeth, who came to the throne in 1558, backed them with all her might against the Hansards. When the Merchant Adventurers were expelled from Hamburg, she retaliated by putting the London Hansards on the footing of unprivileged aliens. When ships of the Hanse League appeared in the Spanish Armada, she retaliated by seizing their corn fleet. And in 1597, when the Emperor ordered the English merchants to leave Germany, she confiscated the Steelyard itself and ordered the German merchants to leave England.

But by that time English cloth had indeed become a necessity to northern Europe, and it has remained so ever since. Its conquest was not only due to the persistence of the Merchant Adventurers and to the vigour of the Elizabethan government which backed them up. It was also due to the accumulating capital of the wealthy clothier merchants at home; and behind that, to the thousands of domestic spinners and weavers, settling and multiplying in the rural districts away from the cramping influence of the old craft guilds, children of the new economic freedom but servants of the new mercantile capital.

We must now return to the second of the two developments which so profoundly influenced England's place among the nations—the geographical discoveries—and here we find ourselves transported to a world of wildest romance.

In 1453 Constantinople, the capital of the old cultured Byzantine Empire, was captured by the Turks. This meant the establishment of a strong hostile power right across the old trade routes by

which Europe had trafficked with Asia. It also meant the rise of a most virulent form of piracy in the Mediterranean Sea. The event was a bad blow for the Italian city states; it even affected the south German towns, which, like the Italian cities, had been dependent on the flow of goods from the eastern shores of the Mediterranean. But it encouraged western Europe to consider the possibility of getting to the Far East by a new route. Clearly it was no longer possible to reach the wealth of India and Cathay by land, with the ferocious Turk in power from Poland to Palestine. There remained, however,

one possibility: *it might be reached by sea.*

*The search  
for a  
sea route  
to India.*

How remote that possibility must have seemed in 1453 we can imagine when we consider the size of the known world. The

western bounds of the Atlantic were unknown. The entire continent of Africa was unknown south of Sierra Leone. The southern Atlantic was a 'Sea of Darkness.' Men still accepted the verdict of a seventh-century philosopher that it was 'impossible to navigate there on account of the burning heat that prevails.' The pioneer Portuguese navigators who had groped their way down the west coast of Africa, half missionaries and half traders, knew only that as they

moved south the 'burning heat' seemed

*The  
voyage of  
Bartholomew  
Diaz, 1486.*

to come nearer. But they believed stubbornly in the old vague 'foolish tradition that the Atlantic is united on

the south with the Indian Ocean,' and at last one of them proved it. In 1486 Bartholomew Diaz sailed right through the intense heat of the 'Sea of Darkness,' round the Cape, and a short way up the

east coast of Africa. At that point his crew went on strike and forced him to return; but not before he had dispelled the myth about the 'burning heat' and opened the way to a new ocean. After that, men were bolder. In 1487 two more Portuguese navigators set out, Covilham and Pavia. This time they got through into the Indian Ocean by the Red Sea, and there they parted company. Pavia sailed west to the mysterious Kingdom of Abyssinia. Covilham sailed east, and landed on the Indian coast. From there he sailed southward until at last, to his surprise, he found himself in regions already charted in Portuguese maps—he had filled up the gap in the sea route to India. He himself never returned, for he chose to live and die in Abyssinia. But he sent home a message to say that ships would reach their goal if they rounded the Cape and then 'inquired for Sofala and the Island of the Moon.'

It is difficult, in these days of charted seas and wireless telegraphy, to imagine the great loneliness of these voyages, whose navigators sailed along the shores of savage unexplored lands, with no certain knowledge that their journey was going to lead them anywhere but into a 'burning heat' or over the edge of the world.

Meanwhile a new and still wilder venture was on foot: the discovery of yet another sea route to the wonders of the East. In 1492, Christopher Columbus, a Genoese in the service of the Spanish King, sailed westward across the Atlantic. Working on the supposition that the world was round, he believed in the existence of a shorter route to the east

*The  
voyage of  
Christopher  
Columbus,  
1492.*

coast of China than the long voyage round the southern tip of Africa. Day by day, holding his course on an unknown ocean, he persisted in his geographical faith. Day by day the doubt and discouragement of his crew deepened. At last that faith was justified by the sight of land. But it was not the coast of China that he saw, nor India, nor any other part of Asia; and slowly men were forced to the belief that a whole new continent lay between the western and the eastern worlds; that a whole new ocean—the Pacific—remained to be navigated.

Before considering the effects of these discoveries, we must recall the fact that in the fifteenth century there was no idea of individual enterprise; no conception of what we now call free trade and the 'open door.' Navigators sailed under the patronage of kings, and to those kings belonged the territories discovered, together with the exclusive right to inhabit them and trade with them. Accordingly, to Portugal belonged the Indian Ocean and all the eastern lands on its shores; and when Columbus landed in the West Indies and hoisted the Spanish flag there, Portugal objected furiously; thinking, of course, that it was an outpost of Asia. The dispute was finally settled by an appeal to the Pope, who, by a stroke of the pen, graciously divided the eastern and western worlds between the two rivals.

Meanwhile a new power was appearing on the scene. In 1497 John Cabot, a Venetian in the pay of England, landed on the coast of North America. 'In the yere of our Lord 1497,' writes Hakluyt, 'John Cabot, a Venetian, and his sonne Sebastian (with an English fleet set out from Bristoll) discovered that

land which no man before that time had attempted, on the 24 of June, about five of the clocke early in the morning. This land he called Prima Vista, that is to say, First Seene.' *The voyage of John Cabot, 1497.* Of course, this event brought England into conflict with Spain and with the Pope. But at first the English government was contented not to fight the matter. This was not because it was ready to abandon the pursuit of eastern trade; it was because English navigators believed in a shorter way to Asia than either the passage of the new continent or the voyage round Africa. They believed in the existence of a north-west sea passage round America, and a north-east sea passage round Russia.

So it was that the same quest which had led the Portuguese into the 'burning heat' of the 'Sea of Darkness' led the English into the frozen seas of the Arctic circle. In 1576 *The Arctic voyages, 1553 and 1576.* Frobisher struck out for the North-West Passage. He did not get through, but he returned with gold ore. Twenty-three years earlier another Englishman, Willoughby, had sailed north-east and lost himself among the fogs and ice-floes of northern Russia. His ship was found after two years with all its crew frozen to death, Willoughby himself sitting in his cabin with his ship's papers frozen to the table in front of him. The men who followed him with better fortunes struck southward into the heart of Russia, and from there sent home fantastic stories of a barbaric but glorious Muscovite Empire. They told of the cold dreariness of the country, the drunkenness of the men, the tempestuous savagery

of the people, and, curiously enough, of the wild irresponsibility of the Czar's government. That was the real beginning of our trade with Russia; Elizabeth afterwards established an ambassador there, and her emissaries worked down into Persia and the Caucasus.

But neither the north-west nor the north-east passage had led Englishmen to India. Meanwhile,

*England and Spain.* over the matrimonial affairs of Henry VIII. the English government had gained

some experience in the art of defying the Pope. In addition, our respect for Spain was not what it had been in earlier times. English merchants who poached in the Spanish Main often found that they could hold their own on land and sea when they came into contact with Spaniards in search of gold and silver. They also found that the Queen would back them up, in deed, if not in word, over any little affray which the Spanish Ambassador might have to complain of. Finally, Sir Francis Drake 'sing'd the King of Spain's beard' by sailing into Cadiz harbour and burning a number of his ships; and the Great Armada which sailed northward in 1588 to vindicate the Spanish trade monopoly, met with a miserable fate off the English coast.

After that the English traders went where they liked, and fought the Spaniards wherever they found them. They traded in slaves from continent to continent. From Central America they brought home looted gold and silver; from the North, furs and resins; and from everywhere strange stories about giants and pigmies, amazon women and men 'whose heads do grow beneath their shoulders.' Later, as we shall see, they formed trading companies



and carried on more reputable business, founding colonies, and laying the foundation of an overseas empire. And all these things they did in cumbersome, blunt-nosed little sailing ships, with abominable quarters, scant storage room, and an uncomfortable habit of driving to leeward in a strong wind for want of jibs.

We can now see how this expansion of the known world upset the old relations of European states. In the first place the discoveries finally broke the power of the Italian city states. The Mediterranean was no longer the great trade highway of the western world.

*The new  
international  
values.*

Venice and Genoa were no longer flourishing commercial powers dominating the trade routes to the East and distributing their wealth to northern and western Europe. The trade routes to the East were now ocean routes; and the Mediterranean, instead of being a great trade highway, had become a comparative backwater. But the Italian cities did not face the eclipse of their old glory without a struggle, and in the sixteenth century they shocked Europe by plotting with the infidel Turks against the Christian Portuguese.

In the second place, the discoveries opened up lines of trade for which the Baltic States were badly placed. The Baltic, in fact, shared the fate of the Mediterranean.

In the third place, the discoveries gave to England's geographical position a new commercial importance. For the old Mediterranean trade she had been badly placed. For the new ocean trade she was admirably placed. London, with its great river, could develop as an ideal distributing centre by sea for northern Europe. Bristol, as an Atlantic port, could grow wealthy on the profits of slaves and sugar.

## CHAPTER VI

### THE AGE OF PATERNALISM

This royal throne of kings, this sceptr'd isle,  
This earth of majesty, this seat of Mars,  
This other Eden, demi-paradise,  
This fortress built by Nature for herself  
Against infection and the hand of war,  
This happy breed of men, this little world,  
This precious stone set in the silver sea,  
Which serves it in the office of a wall  
Or as a moat defensive to a house,  
Against the envy of less happier lands,  
This blessed plot, this earth, this realm, this England.

SHAKESPEARE.

WHEN Shakespeare put these words of praise into the mouth of John of Gaunt, he saw in his mind's eye, not the mediæval England of Richard II., *England as a nation.* but the Elizabethan England of his own time. Elizabethan England was national, and conscious of its nationality as mediæval England had never been.

This was partly due to the strength of the Tudor kings. These monarchs had no intention of allowing themselves to be browbeaten by any powerful nobleman who chose to live like a little king surrounded by a turbulent army of uniformed retainers. It was Henry VII., the first of the Tudors, who aimed a blow at this practice of keeping private armies

(a) *The strength of the Tudor government.*

by means of his statutes against 'liveries.' The Tudor monarchs did not, however, seek to strengthen their governments merely by making the nobles *weak*; they aimed rather at making the nobles *useful*. Here we see an interesting contrast between France and England. In France the country gentlemen were encouraged to become courtiers, eternally hanging round the ante-chambers of the Louvre or quarrelling with one another in the streets of Paris like our old friends the 'Three Musketeers.' In England, the country gentlemen, instead of being made into courtiers, were made into magistrates or justices of the peace, unpaid officers of the crown; and as such they were encouraged to stay at home and attend to their business. Such business would include the judging of petty offences, the licensing of ale-houses, the control of prices, the fixing of wages, and later, the supervision of roads and poor relief. Gradually, during the Tudor period, the country gentlemen in their capacity of justices of the peace, had thrust upon them the burden of local government. And the king's Privy Council at Westminster would keep a watchful eye on them to see that they carried out their various duties properly. If they did not, letters were written, commissioners despatched from headquarters, or the J.P.'s themselves summoned to Westminster to answer for their sins. In this way, the power of the central government was made a reality during the reigns of the Tudors.

A second factor also played its part in the rise of national feeling. In the reign of Henry VIII., the power of the Pope in this country was broken. England became a Protestant nation with a national

Church at the head of which stood the king. The old allegiance to Rome disappeared, and with it some of

(b) *The  
decay of  
Papal  
power.*

the old sense of being part of a great international or supernational organisation.

Finally, the maritime events described in the last chapter stirred a new national consciousness. The feeling that

Englishman were doing great things in the world outside, competing bitterly with foreign nations in

(c) *The  
stimulus of  
international  
rivalry.*

the race for new continents, made people feel intensely and boastfully English.

And the dramatic defeat of the dreaded 'Invincible Armada' bound them together more firmly than ever in their pride

of victory.

We have now to consider how the Tudor kings and queens, armed with this new national strength, dealt

*The  
economic  
problems of  
Tudor  
England.*

with the economic problems which confronted them. How did they deal with

the problems of an agriculture newly freed from the old feudal organisation of the

Middle Ages? How did they deal with domestic industry, scattered through the

rural districts, expanding rapidly, under the direction not of the old town guilds, but of the new merchant

capitalist class? How did they deal with a new-born 'active' foreign trade boldly attempting to hold its

own in rivalry with the claims of formidable European powers? And how did they deal with the mass of

social unrest, the unemployment, the profiteering, the destitution, which all these tremendous changes brought about in the lives of ordinary people?

In attempting to answer these questions, we shall,

for convenience' sake, divide our survey into two parts, dealing first with the work of the government in commercial and industrial matters, second with the work of the government in social matters. But in doing so we must remember that all the various lines of policy with which we shall deal are really part and parcel of one great aim: to make a powerful nation and a contented population with the help of government control, or, as it is sometimes called, 'control from above.' The Tudor government never hesitated to interfere with the independence of individuals, either landlords, capitalists, or workers, if it considered that the interests of these individuals ran counter to the interest of the country as a whole. It seems to have enjoyed an unbounded belief in the possibility of 'making people good by Act of Parliament.' Perhaps the explanation is that the population of England was still so very small—it can scarcely have exceeded five million—the organisation of industry was still so simple, the relations between the J.P.'s in the country and the King's Council at Westminster so direct and so personal. The whole problem of 'control from above' must have seemed infinitely simpler than it seems to-day under the shadow of the Great Society.

Modern economic historians have used the term 'Mercantile System' to describe the attempt to advance the economic power of a nation—that is, its power to produce and accumulate wealth—by means of state regulation. And the outstanding example of such an attempt, the example which first tempted writers to coin the words 'Mercantile System,' is the policy of state regulation pursued in this country

*The  
beginning  
of a  
Mercantile  
System.*

during the sixteenth, seventeenth, and eighteenth centuries. The Tudor monarchs, in deliberately trying to encourage English industry and commerce, were developing a Mercantile System. They did not, of course, invent it; as we have already seen, Edward III. pursued a mercantile policy when he encouraged the settlement of foreign craftsmen and restricted the importation of foreign cloth. But it was during the Tudor period, and especially during the long reign of Elizabeth, the last of the Tudors, that the English Mercantile System really began to take shape.

The outstanding feature of the Mercantile System as it developed under the strong hands of the Tudors is perhaps its encouragement of shipping.

(a) *The encouragement of shipping.*

It is important to remember that in the sixteenth century there was no difference of structure between a man-of-war and a merchantman. All merchantmen went armed; all overseas trade meant fighting, since it was bound to lead Englishmen into conflict with Spanish or Portuguese claims, or land them on savage unexplored shores. When the Armada came to English waters it was met by a scratch fleet of a hundred and ninety-seven ships of which only thirty-four constituted the royal navy. The remaining hundred and sixty-three were privately owned merchantmen. Therefore, in promoting the growth of shipping for commercial purposes, the government was incidentally promoting the security of the realm.

Its encouragement was given in various ways. To begin with, there were the Navigation Acts: statutes passed from time to time for the purpose of prohibiting, or hindering by special taxation, the use of foreign

ships in trade with England. The first of these statutes, passed as far back as 1381, actually prohibited all export or import except in English ships. There were, however, at that date so few English ships that the act became a dead letter; and subsequent Navigation Acts, though less sweeping in their terms, met with very much the same fate. Clearly it is no use bargaining for the use of ships which have not yet been built; and for this reason the Navigation Acts did not really become an effective weapon for the encouragement of shipping until the time of Oliver Cromwell. The Tudors, therefore, turned their attention to getting the ships built, and we find Elizabeth, in particular, concerning herself with the supply of the necessary materials. Under the guidance of her great minister, William Cecil, afterwards Lord Burleigh, she prohibited the cutting down of timber for iron-smelting within fourteen miles of the coast. This was done in order to ensure a plentiful supply for our wooden ships. But the building and arming of ships requires more than timber. It requires metal. Accordingly, Elizabeth invited foreign mining experts to settle in this country and offered them mining rights. Eventually she founded two great mining companies, the Mines Royal, and the Mineral and Battery Works; by means of which she was able to free this country from its dependence on imported foreign metal.

But of what use were ships without seamen? And what better training ground for seamen than the fishing industry? So Elizabeth turned her attention to the encouragement of fishing, forcing her subjects, by Act of Parliament, to eat fish on all Church fast-days, with Wednesdays and Saturdays included. And

this was openly done, not to benefit men's souls, but to benefit the fishing industry, because it was the nursery of our seamen. We may gather from John Stow that the 'fish days' were rigorously enforced, for he tells us that in 1563 a lady who kept a public-house in East London was 'set in the pillory for having flesh in her house in Lent, and four women who took thereof were set in the stocks all night.'

A second important feature of the Mercantile System, as it developed during this period, was the direct encouragement of English industries. We have already seen that Edward III. began the policy of deliberate encouragement by inviting Flemish weavers to settle in this country, and that as a result the export of manufactured cloth began to supplant the export of raw wool. Elizabeth continued his policy by taking advantage of Continental troubles to invite a new stream of alien craftsmen to this country. During her reign we find Flemish weavers settling at Southampton, Colchester, Sandwich, and Canterbury, and carrying on the manufacture of finer types of cloth which came to be known as the 'new drapery.' At the same time, English people were encouraged to patronise home manufactures, and in 1571 a law was passed requiring all persons over six years old to wear on Sundays 'one cap of wool fully wrought in England.'

In addition to improving the quality of an old-established industry, Elizabeth made vigorous efforts to encourage the introduction of new industries, by granting patents to any inventors, either English or foreign, who would undertake to experiment with new processes. These patents, or monopolies as they were

*The  
encourage-  
ment of  
industry.*



sometimes called, guaranteed the exclusive right to manufacture the articles patented, and so acted as an encouragement to business enterprise. It is believed that the manufacture of brass, cutlery, and needles in the Birmingham neighbourhood was originated by immigrant aliens during the sixteenth century. The period also saw the introduction of such arts as glass-making, paper-making, lace-making, silk-weaving, pottery, and the salt manufacture.

We must now turn to that other side of Tudor government activity, which is not generally regarded as part of the Mercantile System, although it really represents an aspect of the same ambitious attempt to secure national well-being by means of government control: the regulation of social conditions.

*Internal  
policy.*

The early Tudors were, as we have seen, faced with something very like an industrial revolution. A new capitalist merchant class had come into being. A new rural domestic working class had come into being. A new spirit of business competition and enterprise had come into being. And the old controls provided by the guild system had broken down. Meanwhile, though a good many mediæval traditions had gone to the winds, the tradition of a 'well-ordered' trade remained. It was unthinkable that masters and men should be left to bargain with one another, exploit one another, and get rich in their own way without reference to the public good. What, then, was the government to do? To judge from the various industrial statutes passed during the first half of the sixteenth century, the government appears to have been somewhat bewildered; and

like bewildered governments of later ages, it was inclined, when in doubt, to fall back on the policy of trying to keep things as they were. Therefore, if we look at the sixteenth century statute book, we find it first attempting to bolster up the old system of municipal control by confining certain industries to certain towns, and afterwards being forced to bow to economic tendencies and recognise the legality of the new rural industries which had grown up in spite of it. We see the same signs of bewilderment in its attitude towards new labour-saving machinery, and the accumulation of industrial capital by individuals. In 1482, for example, we get a statute prohibiting the use of 'fulling mills' in the making of hats and caps because the new machines caused unemployment among the old craftsmen. And in 1555 we get the famous 'Weavers Act' which prohibits any weaver from owning more than two looms or keeping more than two apprentices.

But there was a more constructive side to Tudor industrial policy than this would suggest. Gradually we see the government concentrating its force on the large questions of wages and apprenticeship. Whatever else happened, it could at least secure that every worker obtained a proper industrial training and received a reasonable wage. This, of course, was no new idea. Ever since the early days of the craft guilds, apprenticeship had been a recognised custom of industry. Ever since a wage-earning class had existed, there had existed, along with it, some machinery for regulating wages. In the towns the guilds and the municipalities had regulated wages. In the country Justices of Labourers had regulated wages. But in

the reign of Elizabeth we find the government putting forth its best efforts to make apprenticeship and wage regulation a national concern; a universal and living reality; and its efforts are expressed in the great statute of 1563, known as the 'Statute of Artificers' or the '5th of Elizabeth.'

*The Statute  
of  
Artificers,  
1563.*

This statute is so long and so complicated that it is impossible, in the present brief survey, to describe all the various regulations which it lays down with regard to labour. It attempts to regulate the movement of workers from place to place, the classes of people who shall be apprenticed and the places where they shall serve their apprenticeship. It attempts to secure a sufficient supply of labour for industry and agriculture by compelling unoccupied persons to work. But its two most important clauses are those which sum up the old apprenticeship regulations and the old wage statutes. In Clause 24 it enacts that no person shall exercise 'any craft now used within the realm of England or Wales' without previously serving a seven years' apprenticeship. In Clause 11 it enacts that wages in all occupations shall be determined 'according to the plenty or scarcity of the time,' by the J.P.'s in each county, meeting for the purpose every year in consultation with 'discreet and grave persons . . . as they shall think meet.' The reason why these provisions are particularly important is that they really were enforced. In the towns, the government could count on the old craft guilds to see that its apprenticeship regulations were carried out; and until the upheavals of the Civil War, we have reason to believe that the rule of apprenticeship was fairly well observed. In

the country, J.P.'s continued to meet every year and fix the wages of labour, in certain localities for more than a hundred years after the passing of the famous 5th of Elizabeth.

The early Tudor governments, however, were faced with something even more disturbing than an industrial revolution. During the last half of the fifteenth century, and the first half of the sixteenth, we get a series of developments in agricultural life following on the breakdown of the old feudal system, which we may describe as an 'agrarian revolution.' It was, of course, closely connected with industry. Naturally it is impossible for profound changes to occur on one side of national life without other sides of national life being profoundly affected.

To begin with, the rapid expansion of the cloth industry, described in the last chapter, meant an expansion in the demand for wool. Sheep-farming therefore became profitable as never before; and this at a time when, as we have seen, agricultural labour was scarce, agricultural wages high. Small wonder, therefore, that large numbers of harassed manorial lords were only too ready to meet the new industrial demand by turning arable land into sheep runs, where a small number of shepherds could take the place of a large number of cultivators. But clearly, if a lord is going to turn his demesne into a sheep run, he must consolidate it into a single estate and put some sort of a fence round it. It is impossible to keep a flock of sheep on several hundred scattered and unenclosed strips of land. We therefore find, in the second half of the fifteenth century, an increasing tendency for manorial lords to exchange

*The agrarian  
revolution.*

their strips in the open fields for compact pieces of land on which sheep might be pastured. And where this happened their demand for hired labour would be considerably decreased.

But this was not all. The boom in sheep-farming often meant more than merely the enclosure of the lord's demesne. It would often be to his advantage to get rid of his tenants, forgo their rents, and increase the size of his own holding by adding theirs to it. This was not always easy to do in the case of the leaseholders, because these had a definite claim to their land which the king's courts were ready to enforce. The customary tenants, however, the descendants of the old villains and cottars, had no such definite claim. Their security of tenure rested, as we have seen, on 'the custom of the manor,' and it was not until towards the end of the fifteenth century that the king's courts began to consider whether they would recognise such custom as legally binding. Therefore, if the lord chose to defy the 'custom of the manor,' and evict his customary tenants, they had to go. 'By one means therefore or another,' Sir Thomas More writes in 1516, 'either by hook or crook, they must needs depart away . . . away they trudge. I say, out of their known and accustomed houses, finding no place to rest in.'

The wheel of fate had indeed swung round since the old days of the Peasants' Revolt. At the end of the fourteenth century the lords had land on their hands and were crying out for cultivators. At the end of the fifteenth they were crying out for land and doing all in their power to evict its cultivators.

Exactly how extensive this sheep-farming movement was, exactly how many people were evicted, exactly how many acres of arable land were laid down to pasture, it is impossible to say. But during the second half of the fifteenth century, and the first half of the sixteenth, pamphlets, speeches, sermons, poems, and parliamentary debates, all testify to public alarm on the subject of sheep farming, and public hatred of the grazier. Whole manors were being turned into vast sheep-runs. Whole villages were said to be disappearing. The corn supply was in danger. The country roads were infested with tramps. A melancholy little poem, *The Ballad of Nowadays*, published in 1520, expresses the universal panic:—

‘Envy waxeth wonders strong,  
The Riche doth the poore wrong,  
God of his mercy sufferith long  
The Devil his workes to worke.  
The Townes go downe, the land decayes;  
Of cornefeldes playne layes  
Gret men makithe now a dayes  
A shepecote in the Church.

‘The places that we Right holy call  
Ordeyned ffor Christyan buriall  
Off them to make an ox-stall  
These men be wonders wyse;  
Commons to close and kepe,  
Poor folk for bred to cry and wepe;  
Townes pulled down to pastur shepe,  
Thys ys the newe gyse.’

Modern writers have suggested that we get a somewhat exaggerated view of the sheep-farming enclosure movement from the denunciations of contemporary

writers and preachers. Professor Ashley considers that these enclosures were confined mainly to the midland counties, and that they affected about one-fifth of the arable land formerly held by tenants. But clearly this would be enough to cause a considerable disturbance of social conditions; and it is not surprising that the government took alarm. After all, it wanted to see the people of the country suitably and productively employed, and not wandering about the roads in destitute, discontented, homeless gangs. Therefore, we find it attempting to stem the tide by Act of Parliament. Numerous Enclosure Acts were passed between 1489 and the end of the sixteenth century. Farmers were forbidden to turn arable land into pasture; landlords were ordered to restore farmhouses which had fallen into decay; graziers were forbidden to own more than a certain number of sheep. But the fact that so many enclosure statutes were passed suggests that they were exceedingly difficult to enforce. We hear of sheep-farmers evading the law by running a single furrow down the middle of a pasture-field, and then declaring that it was arable in accordance with the Acts. We hear of landlords establishing a single dairy-maid in a large farmhouse in order that it might count as inhabited, and so satisfy the letter of the law.

*The  
Enclosure  
Acts.*

However, by the end of the sixteenth century, probably before, the sheep-farming enclosure movement seems to have run its course, and in 1624 there was a general repeal of the Enclosure Acts.

The spread of sheep-farming was not the only kind of change that was coming over the old agricultural

system. The industrial developments were making themselves felt in other ways. They had bred a new spirit of competition and business enterprise; and this spirit infected the country-side. Men began to see that agriculture, like industry or foreign trade, might be made a profitable concern, given improved methods and efficient tenants. Therefore we begin to find commercial men buying up land, especially after 1536, when the monasteries were dissolved and great tracts of church lands came into the market.

*Farming  
for profit.*

Now, whatever the faults of the old ecclesiastical landlords, they certainly had a profound respect for custom. They would be likely to allow their tenants to muddle along in the old unscientific way, paying the same rents as their great-grandfathers had paid, and raising just enough produce to keep themselves fed and clothed. The new men, however, were less tolerant. They had bought land in order to get good rents from its tenants, or else in order to evict the tenants and pasture sheep. And if the old tenants could not pay the rents required, they had to give place to new tenants who could. And so, alongside of the bitter complaints against sheep enclosures, we also meet bitter complaints against rent raising. We find tenants bidding against one another for the use of land, we find well-to-do leaseholders extending their holdings at the expense of their smaller and less efficient neighbours, while manorial lords increased their incomes by taking advantage of the new spirit of competition and business enterprise, and letting land to the highest bidder whenever they got a chance of renewing a tenancy.

Now all this meant that a very real improvement



was taking place in the method of agriculture. Men were not only enclosing because they wanted to pasture sheep; they were also enclosing, lord and tenant alike, because without enclosure it was impossible to farm profitably. The old system of open fields and scattered strips was, as we have seen in an earlier chapter, abominably wasteful. If once lords and tenants could manage to get their various scattered strips sorted out into compact holdings, the more enterprising man could go ahead in his own way. Fitzherbert himself dwells on the immense advantage of such enclosure in a chapter headed 'How to make a townshipp that is worth twenty marks (£13 6s. 8d.) a year worth twenty pounds a year.' His receipt is, enclose it. And in stately Elizabethan English he tells us how much happier the cattle will be. 'Than shall nat the ryche man overpresse the poore man with his cattel, and every man may eat his owne close at hys pleasure . . . For those beastis in the house <sup>1</sup> have short heare and thynne, and toward Marche they wyll pylle and be bare. And therfore they may nat abyde in the felde before the heerdmen in wynter tyme for colde. And those that lye in a close under a hedge have longe heare and thycke, and they wyll never pylle nor be bare, and by this reason the husbande may kepe twyse so many catell as he dyd before.'

Before the leaving the subject of enclosure, however, it is necessary to warn the reader against two errors.

<sup>1</sup> In the absence of sheltered pasture, it would be necessary to shut cattle up in sheds during the cold weather, as the Swiss peasants do to-day. Those who have seen and smelt a Swiss cattle-shed in winter time will easily realise that such an existence was enough to make anybody's hair fall out!

In the first place, though a great deal of enclosure took place during the Tudor period, both for sheep-farming and for improved agriculture, it must not be supposed that anything like the whole of the English countryside was enclosed. More than half the villages in England remained unenclosed, farming their land on the old wasteful system of open fields and scattered strips. Serfdom had disappeared, labour payments had disappeared, but the old mediæval system of co-operative agriculture continued over the great part of England.

In the second place, it must not be imagined that the enclosure movement came suddenly to an end with the Tudor period. As a matter of fact, landlords and tenants went on enclosing here and there, when it suited them, all through the seventeenth century. But the boom in sheep-farming had spent its force; people had learned to regard enclosure and land purchase as a natural process; and public attention was no longer centred on the enclosure movement as the outstanding sign of a changing social order.

We have now briefly surveyed the attempts of the Tudor monarchs to secure a well-ordered, productive community—a community of people who should be, in their various degrees, continuously employed, well trained, reasonably paid. We see the government attempting to stem changes which it regarded as undesirable, such as the migration of artisans from the towns, or the eviction of cultivators. We see it trying to promote changes which it regarded as desirable, such as the growth of a mercantile navy or the introduction of new industries. We see it sometimes successful in its attempts, sometimes unsuccessful. But

our survey will not be complete unless it includes some account of the last great Tudor experiment—the attempt to provide for those unfortunate persons who, by sickness or misfortune, had somehow failed to find a place in this well-ordered scheme of national life. This brings us to the beginning of the English poor law.

In spite of the Statute of Artificers, in spite of the Enclosure Acts, in spite of the new industries, there is no doubt that during the first half of the sixteenth century there was a great deal of destitution in the country. When we read contemporary sermons and pamphlets we find constant reference to the alarming increase of beggars and tramps. ‘Hark ! hark ! the dogs do bark ! The beggars are coming to town !’ is a sixteenth-century cry.

*The  
problem of  
destitution.*

The sheep enclosures no doubt accounted for much of this destitution; and the dissolution of the monasteries in the reign of Henry VIII. made matters worse than they would otherwise have been. In mediæval times the poor were entirely dependent upon voluntary alms-giving; and the bulk of this alms-giving came from the monasteries. No doubt such alms-giving was harmful in many ways. It was often given indiscriminately to idle and unfortunate alike, by charitable persons who were more concerned with improving the state of their own souls in the next world than with improving the state of the poor in this.

*Old methods  
of relief.*

We need not, however, enter into the historical controversy as to whether or no the gifts of the Church

were wisely or unwisely given. At any rate they were very generously given, large numbers of people were dependent on them, and when the monasteries were dissolved by Henry VIII. a great deal of suffering was caused by their sudden disappearance. This sudden disappearance came, as we have seen, at a time when many people were suffering from the changing conditions of social life. At first we find the municipal governments taking up the burden and attempting to organise schemes of municipal poor relief. London, for example, during the first half of the sixteenth century, developed a very complete system of organisation for the relief of distress, which included hospitals for the sick, schools for the children, an asylum for the insane, a house of correction for the idle. And other towns followed London's example. But the system did not work well. In the first place, it was not every town that took the matter in hand. In the second place, there was always a tendency for beggars to crowd round a town where generous relief was given, just as, in the Middle Ages, they had crowded round the most open-handed of the monasteries. Here, then, was an obvious gap in the Tudor scheme of life; an obvious evil which demanded national treatment.

The need was met by a long series of statutes passed during the second half of the sixteenth century, culminating in the famous Poor Law statute of 1601, the 43rd of Elizabeth. It would take us too long to consider these statutes separately. Taking them as a whole, they show a growing belief on the part of the government that it is no use passing statutes to punish people who *will* not work, unless at the same time

*New  
methods  
of relief.*

some provision is made to help people who *cannot* work. And if we examine Elizabeth's Poor Law statute of 1601, which summed them up and completed them, we shall see exactly what kind of national system they evolved.

In the first place, the statute of 1601 enacted that in every parish certain persons should be chosen as 'overseers of the poor.' These overseers were to be unpaid, and were to be chosen every year. They were entrusted with the duty of providing work for unemployed persons, relieving aged and impotent persons, and apprenticing poor children. In order to secure the money necessary for this work, they were instructed to raise a compulsory poor rate from the inhabitants of the parish in proportion to the value of their land or houses. It was, of course, taken for granted that the more valuable a man's house or land, the more he could afford to contribute towards the relief of the poor; and this statute of 1601 is the legal basis of the rates which we pay to-day according to the rent of our houses. Finally, the overseers were required to keep accounts of the money which they received and spent, and submit such accounts to the Justices of the Peace in their parish.

*The  
Elizabethan  
poor law,  
1601.*

The actual work of relieving the poor was, therefore, put into the hands of the overseers in every parish throughout England, town and country alike; the Justices of the Peace, as the Queen's officers, were instructed to supervise the overseers; meanwhile, in the background, as we have seen already, there was always the Privy Council at Westminster, busily engaged in supervising the Justices. The

Elizabethan poor law, as summed up in the statute of 1601, is a splendid example of local effort, systematically organised on a national system. Everywhere relief was to be given to destitute persons, everywhere it was to be given on the same principle and through the same channel.

Having traced these various lines of Tudor policy, we are now in a position to justify the title of this long chapter: 'The Age of Paternalism.' 'Paternal' means 'fatherly,' and Tudor government was 'fatherly' because it regarded itself as personally responsible for the well-being of all its subjects, because it never hesitated to interfere with people and bully them for their own good, because it sometimes thought itself wiser and more far-seeing than it really was, and because it was always ready to uphold the interests of its own people at the expense of outsiders. Nowadays, we sometimes find the term 'grandmotherly legislation' applied to tiresome state interference with people's private affairs. It is possible that some of our fatherly Tudor legislation was just a little grandmotherly.

*The  
meaning of  
'Paternal  
Government.'*

## CHAPTER VII

### THE NEW FINANCE

Earth has not anything to show more fair;  
Dull would he be of soul who could pass by  
A sight so touching in its majesty :  
This City now doth like a garment wear  
The beauty of the morning : silent, bare,  
Ships, towers, domes, theatres, and temples lie  
Open unto the fields and to the sky,  
All bright and glittering in the smokeless air.

. . . . .  
WORDSWORTH.

THE outstanding fact of seventeenth-century political history is the successful revolt of the middle class against the monarchy. If we call to mind the principal features of that revolt we see the following chain of events. First come the two Stuart kings, James I. and Charles I. Their reigns constitute a long chronicle of struggles between Crown and Parliament over money and constitutional privilege, ending with the Civil War and the death of Charles. Then for a while England is governed as a Puritan Commonwealth under Oliver Cromwell, ruling as a kind of military dictator, until, in 1658, the strong guiding hand is removed by death, and two years later the old Stuart dynasty is recalled by the authority of a Parliament which has learned its strength. Then the old struggle over money and constitutional right

*Seventeenth-century  
politics.*

begins again. Charles II. manages to hang on, because he is an extraordinarily clever man. But his successor, James II., is an extraordinarily stupid one, and so again the struggle ends in a revolution, but this time a bloodless revolution. In 1688 James and his court melt silently away, and his daughter Mary is called to the throne with her unpopular and efficient Dutch husband, William of Orange, who governs his people through a Parliament which has become supreme. And so the end of the century brings us to something remotely like the system of constitutional government which we knew in 1914; with its sovereign House of Commons, and its Cabinet of Ministers drawn from the most powerful of the political parties in that House.

If we turn now to our economic history, we shall see how very closely these political events reflect economic developments. Under James I.

*The economic background.* and Charles I. we get the continuance of Elizabeth's paternal rule. Indeed, they seem to have carried out Strafford's famous

motto, 'thorough,' in their anxiety to enforce the complete system of labour statutes and poor relief which Elizabeth and Lord Burleigh had bequeathed to them. Certainly, they seem to have been good friends to the labouring class. The people whom they did not satisfy, however, were the commercial and trading class; the new middle class; the men who were accumulating capital and employing it in trade at home and abroad; the men who were sending ships to the corners of the earth in search of new raw materials and new markets for English goods. These men found themselves badly hampered by the old social laws, the old apprenticeship regulations,



the old wage regulations, the old patents or monopolies which restricted free competition in the production of goods, and which the king would often grant to court favourites in return for bribes. It was intolerable that a man should not be allowed to make his own wage bargain with his own workers. It was intolerable that a man should not be allowed to set up a grocer's shop because he had not been apprenticed to a grocer for seven years. It was intolerable that a man should not be allowed to make soap because Charles I. had chosen to give somebody the exclusive right of soap-making. All these things were as intolerable as being illegally taxed by a king who believed in his own Divine Right.

*The revolt  
of the  
middle  
classes.*

Therefore it is from the middle classes, who were also to a large extent the Puritan classes, that we get the revolt against the paternal and autocratic government of the Stuart kings. And during the Civil War, when the control of the Privy Council was removed, when the country gentlemen threw up their everyday business of local administration and rode off to fight for King Charles, when town life was disorganised and old customs broken, it is certain that a large number of people took the opportunity of getting rich in their own way. Men who had never been apprenticed set up openly in trade and industry; wages began to be determined more by free competition, less by Justices of the Peace in consultation with 'discreet and grave persons'; less trouble was taken to see that the deserving unemployed were 'set on work' by the parish overseers.

*The  
decay of  
internal  
regulation.*

When Charles II. came to the throne in 1660, some effort was made to return to the old system of a well-ordered society—attempts were made, for instance, to bring the gilds to life, and through them to revive the apprenticeship rules. But the root fact remained that the economic conditions of the country had outgrown the old 'thorough' system of paternal control, and the class which had become powerful in political life did not want to see it back. Free opportunity and free competition in industrial matters suited it very well. And the second half of the seventeenth century shows a steady decline in the system of paternal government which the Tudors had built up. It is interesting to notice how economic philosophy and religious philosophy seemed to go hand in hand. The men who were disputing the claim of the Anglican Church to interpret the Christian faith and prescribe its form of worship, the men who were upholding the individual's right to interpret the Bible in his own way, were, for the most part, the very men who were upholding the individual's right to make money in his own way. And, curiously enough, the old mediæval view that material gain was in itself wicked, was giving place to the far more comfortable philosophy that business success was a sign of the grace of God.

When, however, we turn from the question of internal government to the question of shipping and foreign trade, we find a very different state of affairs during the seventeenth century. Here, instead of a slackening of state interference, we notice a steady tightening of state interference. In fact, as the century drew to a close, the whole force of the new

*The  
stiffening  
of commercial  
regulation.*

party government seemed to be concentrated upon the state encouragement of English commercial and industrial power. That part of the Tudor policy which we have described as the beginning of the Mercantile System was taken up first by Cromwell, later by Charles II., and the great Whig party which set William of Orange on the throne, and developed to its fullest extent. Let us survey briefly its three principal aspects: the opening up of foreign markets, the encouragement of shipping, and the attempt to secure a favourable balance of trade.

We must bear in mind when we consider seventeenth-century foreign trade that we are dealing with an age of rigid and bitter trade monopoly. If the merchant seamen of one country opened up a new trade route, they claimed exclusive possession of that route, and foreigners who traded there did so at their peril. We have already seen that when Portuguese seamen opened up the sea route to India and the Far East, Portugal claimed the exclusive right to trade with India. When Columbus, in the pay of the King of Spain, discovered the American continent, Spain claimed the exclusive right to trade with the American continent. It was not easy for private individuals to engage in foreign trade, because foreign trade invariably meant fighting or diplomatic negotiation. Nor was it easy for the government to engage in foreign trade and equip state merchant fleets, for the simple reason that the government could not afford it.

Therefore, during the seventeenth century, and in some cases as early as the sixteenth, we get the development of foreign trade by chartered company—a combination of individual enterprise and state

enterprise. A number of merchants would band together into a company and would obtain from the king a charter guaranteeing them the exclusive right to trade with a certain territory overseas, under certain conditions. Usually one of the conditions would be that only English ships should be employed. Often the chartered company would obtain the right to found a colony and would transport settlers across the seas. For example, our first colony, Virginia, was established in 1606 by a chartered company of London merchants.

Colonisation of this type was encouraged by successive kings and governments all through the century, because colonies were regarded as desirable national possessions. They gave employment to English shipping; they provided raw materials which could not be grown at home; their inhabitants could be compelled by law to become buyers of English manufactures. And their land offered unlimited opportunity for enterprising but discontented people who wanted to get away from their relatives, their Church, or their political rulers. Moreover, companies which existed solely for the carrying on of trade often found it necessary to establish permanent stations or depots in the countries with which they traded; places where their servants could reside and accumulate goods for transport, or conduct buying and selling negotiations with the natives. In this way the greatest of the seventeenth-century trading companies, the East India Company, gradually extended its rule over the whole of what is now British India, and not until 1858 did it finally surrender the

burden of ruling this vast territory to the British Government. Even in our own time, a huge block of territory in Central Africa, Rhodesia, is governed by a chartered company under conditions laid down by the British Government.

In this way the search for markets and raw materials led our chartered companies to 'blunder into the best places of the earth.' They fought the Spaniards and the Portuguese and the Dutch. They fought the illegal free-lance traders of their own country, and the Turkish pirates of the Indian Ocean. They dragged their government into trade quarrels with the powers of Europe, and hoisted its flag over ever-widening territories. In fact, they laid, during the seventeenth century, the foundations of the Empire over which King George V. rules to-day.

A second important aspect of the Mercantile System, as it developed during the seventeenth century, is the growing faith of governments in the Navigation Acts. During the Tudor period, as we have already seen, the Navigation Acts did not play a very important part. The important thing was to get English ships built. Until that was done it was of little use to pass acts requiring that they should be used. But by the time we come to the middle of the seventeenth century a good number of English ships *had* been built and Navigation Acts could therefore be enforced. In 1651 we get the first really important Navigation Act. It forbids the importation of any goods from Asia, Africa, or America except in English-built ships, belonging to English subjects, navigated by English captains, and manned by crews not less than three-quarters of whom must

*The  
Navigation  
Acts.*

be English. This Act was aimed principally against the competition of the Dutch, who had by this time taken the place of the Spaniards and the Portuguese as our most bitter and formidable maritime rivals. The Act of 1651 was re-enacted and made even more stringent in 1660, when Charles II. was recalled to England. The new restrictions imposed by this second act aimed at forcing our colonies to use only English ships, and send their principal raw materials to England only. For more than a century after 1660 the principles embodied in these two great Navigation Acts dominated the whole attitude of the government towards shipping. From time to time the Acts were re-enacted and amended, and it was left for nineteenth-century statesmen to remove them from the Statute Book, in an age when British shipping had grown strong enough to do without them.

A third aspect of the seventeenth-century Mercantile System was the attempt of its framers to accumulate a store of gold and silver inside the country.

*The balance  
of trade.*

This was no new ideal. All through Tudor times it had been felt that the accumulation of precious metals was important not merely in order that the country might enjoy a good sound currency to serve its business needs, but also in order that it might possess a store of wealth in case of war. It was this very desire which induced the German Government, after 1871, to lock up a great hoard of gold in the Spandau Fortress. All through the reign of the Tudors, therefore, we find statutes in force prohibiting the export of gold and silver. But, unfortunately, gold and silver are particularly easy things to smuggle, and statutes prohibiting their export

were difficult to enforce. And so towards the end of Elizabeth's reign we find Lord Burleigh taking the view that there is only one really effective way of accumulating precious metals inside the country: the country must export more goods than it imports; it must put itself into the position of a man who sells more goods than he buys; the balance of exports over imports will then have to be paid to this country in gold or silver.

Whether it is possible to heap up gold and silver in this simple way, and whether the country would really gain anything if it were, are questions of economic theory which it is not our business to discuss here. At any rate, Lord Burleigh *believed* that it was both possible and desirable, and for more than a hundred and fifty years after his time the whole trade policy of the government was centred upon the attempt to sell as many goods as possible to foreign countries, and buy as little as possible from them in return. So profound was this belief in the necessity for a 'favourable balance of trade,' that in 1678 an act was passed absolutely forbidding trade between this country and France. It was believed by the promoters of this act that our imports from France exceeded our exports to France by about a million pounds a year, and that such trade was therefore undermining the economic wealth of this country, and draining it of gold to that amount.

Now it is easy to imagine that, with all this extension of foreign trade and shipping, a good deal of wealth was being piled up by commercial men, and a good deal of business transacted in the City of London. Therefore, we are not surprised to find that very important

*The  
accumulation  
of capital*

*financial* developments were occurring alongside of the *commercial* developments. They may be summed up briefly as the rise of the London Stock Exchange and the rise of banking.

We have so far spoken of the chartered trading companies as though they were a seventeenth-century invention. Of course they were not. In an earlier chapter we have already mentioned two trading companies which were chartered companies with exclusive rights: the Merchants of the Staple and the Merchant Adventurers. But there is an important difference between these earlier companies and those of the seventeenth century. The earlier companies consisted of individual merchants, trading with their own property, using their own ships, and pocketing their own profits. They were only companies in the sense that their members traded under certain regulations and shared certain privileges.

The seventeenth-century companies were for the most part *joint stock companies*. Their members, or shareholders, clubbed together what capital they had, hired captains, and sailors, clerks, and factors to do the actual work of trading, elected a board of directors with offices in London to manage the business of the company, and divided the profits among themselves every year, receiving *dividends* in proportion to the capital which each shareholder had put into the enterprise. So with the development of Joint Stock business in the seventeenth century we get the rise of a class of 'fund-holders': people who own capital and make profits on it, but who do not necessarily manage it themselves. Often, too, the shares of these companies would be

and the  
growth of  
joint stock  
enterprise.



bought and sold—sometimes, indeed, by speculative people who hoped to make money by buying the shares of a company and selling them again at a higher price when that company became prosperous. And so great was the increase in this kind of business that by the end of the seventeenth century a certain little court in the city of London, Change Alley, had become the recognised place where a new class of business men, stock-brokers, bought and sold company shares to one another or to the outside public. Fortunes were lost and made in Change Alley, and it was there that the ‘South Sea Bubble’ panic took place during the disastrous speculative boom of 1720.

But a more important financial development than the rise of stock-broking was taking place during the second half of the seventeenth century.

With the increasing accumulation of money, with the increasing need for money on the part of enterprising business men, it was necessary that a banking system should come into being. Banking is the machinery by which capital is *mobilised* in a modern economic state. Banking enables capital, or money, which gives men the power to purchase capital, to be transferred quickly from the hands of people who are not in a position to use it themselves, to the hands of people who are, and who can use it most profitably. Therefore, at a time of expanding business opportunity, at a time of accumulating wealth, it is natural that this machinery for *mobilising* capital should be evolved; and the story of its evolution is briefly as follows:—

*The need  
for banks.*

At the beginning of the seventeenth century, merchants who possessed accumulations of money and

did not want the responsibility of storing it in their own cellars or burying it in their own back gardens, were in the habit of depositing it for safe custody in the Tower of London. They continued to do this until King Charles I., finding himself in difficulties for want of money, seized £130,000 of the money lying in the Tower. That venerable stronghold, therefore, became less popular as a safe deposit, and the merchants gradually began to make other arrangements. They

hit upon the London goldsmiths. These gentlemen were citizens of high reputation, they were accustomed to handling precious metal without losing their heads, and they possessed the means of storing it. So we find the merchants, and later the country gentlemen, employing the goldsmiths as custodians of their wealth, and receiving in return for money deposited paper receipts showing exactly what sum they were entitled to draw out. These goldsmiths' receipts are the ancestors of our modern bank-notes; and the goldsmiths who issued them are the ancestors of our modern bankers.

The custody of other people's money was, of course, a new type of business for the goldsmiths, and, being shrewd men, they were not slow to realise its possibilities. As time went on they noticed that the people who deposited money with them never drew it out all at once. Indeed, they did not always draw it out when they wanted to make a payment to somebody. Often they would simply hand over the goldsmith's receipt, in that way transferring to their creditor not actual coin, but the right to obtain coin by going to a goldsmith. The goldsmiths therefore began to play

what seemed to many people a dangerous game. The business world and the government were clamouring for the loan of money—were ready to pay high rates of interest for the loan of money. The goldsmiths had the money lying in their cellars. They took the plunge, and began lending what was not theirs to lend.

One might at first suppose that the real owners of that money would resent such behaviour; but, as a matter of fact, they did not, because the goldsmiths not only gave up charging them anything for its storage, but actually allowed them a low rate of interest on the money deposited. Thus everybody stood to gain by the arrangement. The depositors gained because they got a low rate of interest on money which would otherwise be lying idle; the goldsmiths gained because they obtained money at a low rate of interest and lent it at a high one; the business world and the government gained because they now knew where to obtain large sums of money for any enterprise which they might have in hand. And gradually a number of goldsmiths gave up their old business of metal-working, and devoted themselves exclusively to the new business of receiving deposits and lending money. They ceased to be goldsmiths and became bankers.

There was, however, one blot on this harmonious picture. After Charles II. came to the throne the government was continually getting into financial difficulties, continually having to borrow money which it did not always spend very wisely. And the deeper it got into debt, the less likely did it seem that its debts would ever be repaid, and the higher rose the rate of interest which the goldsmiths demanded from it.

*Government  
finance.*

Indeed, the rate which they charged Charles II. for their loans is said to have reached twenty per cent.; and general complaints arose against the harshness of the goldsmiths.

The difficulty, however, was solved in the reign of William III. by an arrangement which was designed to free the government from its uncomfortable financial position. In 1694 a

*The Bank  
of England,  
1694.*

private joint stock company was established by charter, whose principal object was to lend a large sum of money to the government at the moderate rate of eight per cent. This company was allowed, like its colleagues the goldsmith bankers, to carry on ordinary banking business for private persons; although from the outset its principal object was to lend money to the government. It differed from the goldsmith bankers, however, in being a joint stock company. In 1694 it was the only joint stock bank in existence in this country, and it remained the only joint stock bank until the beginning of the nineteenth century. When we look at the name which was bestowed upon this new institution in 1694 — 'The Governor and Company of the Bank of England' — we shall of course immediately connect it with that squat gray building opposite the Mansion House in London, which we sometimes speak of familiarly as 'The Old Lady of Threadneedle Street.' And during the two centuries or so of its existence, its connection with the government has become so close that we are sometimes apt to forget that it is still a private joint stock company, and regard it as a state institution like the Post Office or the Imperial Bank of Germany.

It was under the influence of these important business developments that London first became what it is to-day, a world-famed financial centre.

As its business grew so its business population grew; and we begin to find the richer business men moving out of the crowded city area to live in the suburbs—in the stately new streets of Bloomsbury, Holborn, Soho, Covent Garden. Meanwhile, the whole aspect of the City itself was changed in 1666 by the fire which raged from the Tower to the Temple. On the site of the old ramshackle plague-stricken timbered streets there rose mushroom-like a shining city of stone, glorified by Christopher Wren's fifty spires and by the tremendous dome of new St Paul's. That city was a monument to the new commercial power which was soon to make it the financial nerve-centre of the world.

•

*London's  
new dignity.*

## CHAPTER VIII

### THE EVE OF GREAT CHANGES

. . . Hark! the rushing snow!  
The sun-awakened avalanche! whose mass,  
Thrice sifted by the storm, had gathered there,  
Flake after flake, in heaven-defying minds  
As thought by thought is piled, till some great truth  
Is loosened, and the nations echo round,  
Shaken to their roots, as do the mountains now.

SHELLEY.

It is now time to leave our gray metropolis, with its bankers and stock-brokers, its company offices and party politics, its spreading suburbs and its incomparable Wren architecture, and return to the country-side. After all, it was the country-side which fed the metropolis. It was the industry of the country-side, its cloth and later its cotton fabrics, which gave the commercial men exports for their new foreign markets. The activities of the corn-growers, the cattle-breeders, the rural textile-workers, were the foundation upon which the towering wealth of the great commercial city was built. Taken as a whole, England was still what it had been in all times past: a predominantly agricultural country. The great bulk of its population still led country lives, still engaged in agricultural pursuits, even though they might reserve part of their time for craftsmanship in the home. Gregory King, writing in 1696, tells us

*The  
importance  
of the  
country-side.*

that out of a total population of 5,500,000 for England and Wales, no less than 4,100,000 persons lived in the country, leaving only 1,400,000 for the towns. Moreover, England was not merely a predominantly agricultural country, it was still, in 1700, in spite of the sixteenth-century agrarian revolution, a predominantly unenclosed country. More than half of its peasantry still cultivated scattered strips in the open fields; still ploughed and sowed and harvested on the old communal system; still pastured beasts and cut fuel on the unenclosed commons.

When we turn to the industry of the country-side, we find conditions on the whole much as they were in the later sixteenth century, when the domestic system of industry had become well established. Between industry and

*Rural  
industry.*

agriculture there was no cleavage. The cloth industry, for instance, was scattered throughout the homes of England, whole families, men, women, and children, dividing their time between spinning and weaving inside the house, farming and gardening outside it. Defoe, writing in 1724, paints a vivid picture of the cloth industry in Yorkshire, as he observed it in the course of his travels. The country round Halifax he describes as 'one continued village . . . hardly an house standing out of a speaking distance from another; and as the day cleared up, we could see at every house a tenter,<sup>1</sup> and on almost every tenter a piece of cloth, kersie, or shalloon; which are the three articles of this country's labour.' But when we read further we see that cloth-making did not constitute the sole support of this busy district, for

<sup>1</sup> A machine for stretching cloth.

Defoe tells us that 'as every clothier must necessarily keep one horse, at least, to fetch home his wool and his provisions from the market, to carry his yarn to the spinners, his manufacture to the fulling mill, and, when finished, to the market to be sold, and the like; so every one generally keeps a cow or two for his family. By this means the small pieces of enclosed land about each house are occupied; and, by being thus fed, are still further improved from the dung of the cattle.' Finally, his description of the home itself shows us something of the part which domestic industry played in family life. There were, he tells us, few people to be met with out of doors, 'yet within, we saw the houses full of lusty fellows, some at the dye-vat, some at the loom, others dressing the cloths; the women and children carding, or spinning; all employed from the youngest to the oldest; scarce anything above four years old, but its hands were sufficient for its own support.'

The cloth industry was not, however, the only form of textile industry which flourished in the English country-side. By the beginning of the eighteenth century the manufacture of cotton was well established in Lancashire, where the damp climate and the possibility of obtaining imported raw material through the port of Liverpool made conditions favourable for the new industry. Exactly how new it was it is difficult to say. Certainly cotton goods were being made in the neighbourhood of Bolton and Leigh during the second half of the seventeenth century.

And yet, in spite of the flourishing industry described by Defoe and his contemporaries, these northern



counties were economically unimportant as compared with the richer agricultural areas of the south and midlands. Contemporary assessments of wealth show us that in 1696 the seven poorest counties in England were Cheshire, Derbyshire, Yorkshire, Lancashire, Cumberland, Northumberland, and Durham—a surprising statement, when one realises that they cover what are to-day some of our richest coalfields. The fact was, of course, that in the early eighteenth century their mineral wealth lay almost entirely undeveloped. Coal was useful as household fuel in so far as it could be transported by ship or pack-horse to the places where it was wanted. The metal industries, however, which are its principal consumers to-day, had little use for it. Such iron as was smelted in this country was smelted for the most part by the charcoal burners of Surrey, Sussex, Kent, Shropshire, and the Forest of Dean. And it was smelted with difficulty, because generations of charcoal burners had battered on an insufficient timber supply and had almost exhausted it. Indeed, iron-smelting was, if anything, on the decline for want of fuel, since Englishmen had not yet learned to use the rich supply of mineral fuel which lay to hand, under the barren soil of our poor northern counties.

*The poverty  
of the  
northern  
counties.*

*Paralysis  
of the iron  
industry.*

Only in Northumberland and Durham, round the port of Newcastle, was there anything like a developed coal industry. From there, coal had been mined and exported since the Middle Ages, and the bake-ovens of London were dependent on the Newcastle coal ships which sailed up the Thames

and crowded the river-side east of London Bridge. Nevertheless, Birmingham had become a busy centre of the hardware trades, and the master cutlers of the Sheffield district had already won a European reputation for their knives and plated goods.

In entering on the eighteenth century, we must remember that we have left behind us the old paternal system of government, and the busy, all-powerful Privy Council which made it a reality. The ruling power in the country was now a parliament, or rather the strongest political party in a parliament which had ceased to regard the minute regulation of social conditions as part of its business. How then were the mass of the people governed in the everyday affairs of life?

If we call to mind the activities of the central departments and local bodies, the armies of officials, and the network of rules and regulations under which we live to-day, we shall be inclined to think that eighteenth-century government, as far as it concerned the internal affairs of the country, simply did not exist.

In the first place, as we have already seen, there was no central control. The governing authorities of each locality, the J.P.'s, the Parish Councils, the Boroughs, and the rapidly decaying Manorial Courts, went pretty much as they liked, without any interference from the national authority at Westminster. Sometimes they did their work well, sometimes they did it badly, sometimes they did not do it at all.

In the second place, there were no trained officials.

*The new  
parliamentary  
power.*

*Chaos in  
local  
government.*

Such public services as were performed—for instance, the maintenance of the roads, the relief of the poor, and the preservation of order—were performed by inexperienced and unpaid parish officers, ordinary ratepayers, appointed for a year at a time, to act as surveyor of highways, overseer of the poor, or parish constable, as the case might be. Let us try to picture to ourselves what kind of public services we should enjoy to-day if our County Council school-teachers, our sanitary inspectors, our medical officers of health, our chief constables, and our relieving officers, were untrained and unpaid amateurs, acting rather reluctantly in their spare time. That done, we shall have arrived at some idea of the inefficiency of eighteenth-century local government.

*The unpaid  
parish  
officers.*

In the third place, the local authorities which did exist seemed to have no very clear idea of what exactly were their powers, or how exactly they ought to be constituted. If we take any local governing body of our own times, let us say the County Councils, we can find out definitely what are their powers by turning to the various Acts of Parliament which have conferred those powers upon them. The same acts tell us definitely how the County Councils shall be elected, and what classes of persons shall elect them. When we turn back, however, to the eighteenth century, we find that the J.P.'s, the Parishes, the Boroughs, and the few remaining Manorial Courts, which were responsible in their various ways for the work of local government, had no really clear ideas regarding their own legal position. We find them sometimes acting without any legal authority whatever, sometimes

obtaining a local or private Act of Parliament <sup>1</sup> to legalise some particular project of their own, with the result that local authorities in different parts of the country would exercise totally different powers and perform totally different functions. When we examine their constitutions, we see the same wild diversity. For instance, in one parish we may find all authority concentrated in the hands of a small body of influential persons, a few rich ratepayers, self-appointed and ruling without any regard whatever to the wishes of the mass of ratepayers. In another parish we may find the actual business of government carried on by a great open meeting consisting of any ratepayers who care to attend, assembled in the parish church as the only building large enough to hold them all. Obviously, a committee consisting of perhaps four or five thousand persons is not well qualified to transact detailed business, and we gather that these great unruly parish meetings were not very efficient local governing bodies. Indeed, sometimes they became so noisy and turbulent that the more respectable inhabitants of the parish would refuse to take any part in their proceedings. One is tempted to doubt whether the democratic system of parish government by a howling mob was more satisfactory than the autocratic system of parish government by self-appointed rich men. In a few parishes, however, we find a more modern system adopted. In

<sup>1</sup> A private Act of Parliament is one which deals with a matter of merely private or local interest, such, for example, as an act which allows a railway company to build an extension of line, or which sanctions the establishment of municipal tramways in a particular town. Such Acts, like Public Acts, must be read three times and passed through both Houses of Parliament, and when passed they have the same legal force.

order to avoid the discomforts of the open meeting, the ratepayers would agree to elect a small executive committee to conduct their business for them. Thus we get the introduction of the principle upon which our system of local government is based to-day—government by an elected council representing the mass of the ratepayers and responsible to them for the management of local affairs.

Now, it is certain that the confused and haphazard system which we have just described would not carry us very far to-day. It would not police our streets, drain our houses, remove our refuse, educate our children, ration our food, maintain our poor, provide us with gas, tramways, water, public parks, prisons, and lunatic asylums. It is equally certain that it did not succeed in performing adequately any of these functions in the eighteenth century. Many of them, of course, it did not attempt to perform. Those which it did attempt to perform, it performed badly. And the reason why the country as a whole managed to bear with it, was that the population was still comparatively small, its needs still comparatively simple. During the first few decades of the century, at least, the majority of parishes were still so thinly populated that the absence of drains did not, as a matter of fact, result in wholesale and continuous typhus epidemics.

And yet, even in our thinly-populated agricultural England of the early eighteenth century, this system of local government was coming to be recognised as lamentably inadequate in at least one direction: its management of the roads. The developments outlined in the preceding chapter meant that goods were

being moved about in greater quantities and over greater distances. The exports of our ever-expanding cloth industry meant the movement of goods. The feeding and heating of our ever-expanding metropolis meant the movement of goods. And the movement of goods meant traffic on the roads. We read of the long caravans of pack-horses, heavily laden with coal, or china-clay, or building materials, plying between the growing industrial centres of the north and midlands, carrying raw materials and finished goods with immense difficulty and at immense cost. We read of the great processions of cattle, geese, sheep, pigs, which choked the main roads for miles round London. In 1748, for instance, an eye-witness writes of over a thousand geese in one great drove, marching on London to furnish the dining-room tables of her bankers and merchants. And mixed with this ever-increasing stream of birds and beasts was an ever-increasing stream of passengers; of travelling horsemen and lumbering coaches.

Meanwhile, it was the business of the parishes to provide the roads and keep them in repair. This was one of the many duties which had been assigned to them by the Tudor government. In 1555 an Act of Parliament had instructed the inhabitants of the parish to make and mend their own roads with their own hands and their own tools. Each year a Surveyor of Highways was to be chosen from amongst them, whose business it should be to keep the roads in order, calling out his fellow-parishioners to work under his direction for six days in the year. It mattered not that the unfortunate Surveyor knew nothing whatever

*The new  
traffic  
problem*

about road-making, or that his neighbours, who worked under him, knew as little as he did. Road-making was not regarded as a skilled job. A road was simply a narrow tract of public land which had to be kept clear of obstructions and which had to have new earth and stones heaped upon it from time to time when the puddles and ruts became dangerously deep.

Therefore, in order that this duty should be duly performed, and because the Tudor roads had become 'verie noysome and tedious to travell in and dangerous to all Passengers and Carriages,' the duty of keeping them in order was fastened upon the parishes by the act of 1555, unpaid Surveyors of Highways were created to organise the work, and the local J.P.'s were instructed to see that the Surveyors did their duty.

Needless to say, the system worked badly. In the first place, as we have seen, the Surveyors knew nothing about the technique of road-making, which is in fact a highly expert *and the old parish roads.* business. In the second place, it is notorious that forced unpaid labour is invariably inefficient labour. Even if the Surveyor succeeded in getting his neighbours to come out and work on the roads for six days in the year, it was, as a rule, impossible to make them work properly. In fact, during the century which followed, parishioners came to regard their six days' work on the roads as a kind of holiday; an eighteenth-century writer describes them as being 'allotted to play and meriment'; and by 1696 the parish road-menders had earned for themselves the title of 'the King's Loiterers.'

The results, as far as the roads were concerned, can well be imagined. Even in 1555, when the pressure of

traffic was light, and when wheel vehicles were the exception, the roads had been found 'verie noysome and tedious to travell in.' They were still more 'noysome' in 1700, and travelling on them was not so much a 'tedious' business as a wild and desperate adventure! The new iron-shod wagons and coaches ground the soft surface into pits on either side, in spite of numerous and futile statutes which attempted to regulate the size and shape of cart-wheels in the hope of making them less destructive. The hoofs of pack-horses, pigs, and cattle churned them into veritable rivers of mud. And the growing complaints of the travelling public paint a lamentable picture of the tribulations of riders and drivers. Defoe, writing of a great highway in the early eighteenth century, tells us that it 'is not passable but just in the middle of summer, after the coal carriages have beaten the way, for the ground is a stiff clay, so after rain the water stands as in a dish, and the horses sink into it up to their bellies.' An inhabitant of Kensington complains that he lives in complete solitude as though 'cast on a rock' in the middle of the ocean, 'because the road to London has become a 'great impassable gulf of mud.' Small wonder that people were pleasantly surprised when the 'flying coaches' of the eighteenth century succeeded in achieving a speed of five miles an hour!

To all these complaints the parishes had an obvious answer. It was just and reasonable that they should be required to maintain their own roads for the use of their own inhabitants. But this heavy increase of long-distance traffic meant that they were being required to maintain roads for the use of persons who were not



inhabitants—persons whose sole concern with the parish was the fact that they happened to pass through it on their way from one distant town to another. Why, for instance, should the inhabitants of a parish on the Great North Road spend their labour and their money on maintaining a highway whose surface was continually worn by the passing and repassing of strangers travelling to and from London? Why should not these travellers themselves contribute to the maintenance of the roads which they were helping to destroy?

It was partly in response to this complaint, partly as a result of public desperation over the inconveniences of travel and transport, that we get the eighteenth-century invention of the *Turnpike Trust*. A Turnpike Trust was a body of men, as a rule country gentlemen, appointed by a private Act of Parliament, and entrusted with the duty of constructing and maintaining a definite piece of road. In order to provide the necessary money they were empowered to raise a loan, and pay the interest on it by collecting tolls from all persons who used the particular piece of road in question. For the collection of such tolls they would place a toll-gate across the road, and put it in charge of a toll-keeper established in a little cottage beside the gate. It would then be his business to stop all passengers using the road and collect from them a penny, or twopence, or whatever sum might be considered necessary to cover the cost of constructing and maintaining that particular piece of turnpike road. We may still see at certain points on our country roads to-day, little one-story bow-windowed cottages,

*Turnpike  
trusts to  
the rescue.*

standing in lonely places at the very edge of the highway, and recalling the days when their former inhabitants collected tolls at a turnpike gate.

The first Turnpike Trust which we find recorded was constituted in 1706, but from that date onwards their increase was very rapid. Miles of roadway were taken out of the hands of the parishes and dealt with in this way. Between 1720 and 1730, 71 trusts were set up; between 1760 and 1774, no less than 452. There is no doubt that the turnpike roads were infinitely superior to the old parish roads; the trusts would, as a rule, appoint an expert paid road-surveyor controlling ordinary hired labourers. Moreover, the erection of the toll-gate solved the old problem of how to make the long-distance travellers pay for the roads which they used.

And yet, of course, the system was not an ideal one. It was at best a piecemeal method of road improvement. A single Turnpike Trust would cover no more than a few miles of road, and on one main highway the traveller would find himself passing through the domains of a number of different trusts, some of them efficient, some of them inefficient, while, from time to time, he would have to face long stretches of road on which no trust at all had been at work.

Such, then, was the very imperfect system of road communication upon which eighteenth-century England relied for all her transport of goods and passengers. And if eighteenth-century England had been like eighteenth-century France and Germany, a land of mediæval serfs and craft guilds, such imperfection would not have mattered. Serfs are bound to their land, guildsmen to their craft; in a servile country

markets are narrow, localities are self-sufficing; capital is scarce, and business men have little scope for enterprise. On the whole, people do not want to move about much. But in England, thanks to certain accidents of history and geography, the old swaddling clothes of serfdom and gild control had disappeared with the pageantry of the Middle Ages. Domestic industry had spread itself over the country-side; and hungry foreign markets were agape for its products. Men and goods were moving about the country in spite of the roads, and English ships were ready at the ports. From the City of London an all-powerful mercantile class poured back into industry the wealth of capital which they had drawn from it; and the new financial organisation made the process easy. Economic opportunity abounded, and men had learned to glory in a philosophy of individual freedom which allowed them to seize it and use it to the utmost.

*The age of  
economic  
opportunity.*

And then, in 1735, Mr Darby, of Colebrookdale, began to smelt iron with pit-coal at his little forge in Shropshire.

## CHAPTER IX

### NECESSITY AND INVENTION

And we say that repose has fled  
For ever the course of the river of Time,  
That cities will crowd to its edge  
In a blacker, incessanter line;  
That the din will be more on its banks,  
Denser the trade on its stream,  
Flatter the plain where it flows,  
Fiercer the sun overhead.  
That never will those on its breast  
See an ennobling sight,  
Drink of the feeling of quiet again.

But what was before us we know not,  
And we know not what shall succeed.

MATTHEW ARNOLD.

IN 1735 Abraham Darby of Colebrookdale succeeded in smelting iron with pit-coal. In so doing, he solved the problem of how to utilise the coal which the country possessed in such abundance, in place of the timber which had grown so scarce. There have been some important marriages in the history of the world. Thrones have been united, wars precipitated, populations transferred from nation to nation as the result of marriages. But never, perhaps, has any marriage had more profound and momentous consequences for mankind than the marriage of coal

*The smelting  
of iron with  
coal, 1735.*

and iron, celebrated in Mr Darby's little hardware forge in 1735, after a long and difficult wooing.

The new process was a simple one. The coal had to be turned into coke; that done, it could be used as a substitute for charcoal in converting the ore into pig-iron. The business of iron smelting no longer found itself constantly held up for want of fuel, and during the years which followed, coke smelting came into general use. The next important stage came in 1776 when the brothers Cranage succeeded in evolving a reverberatory furnace in which it was possible to substitute coal for charcoal in the conversion of pig-iron into malleable iron.

But between these two landmarks of invention a sensational development had taken place in the iron industry, as a result of the activities of a Birmingham chemist, Dr Roebuck. Dr

Roebuck's early experiments are connected with the attempt to produce cheap chemicals for the metal industries, round Birmingham.

*The opening  
up of the  
Scottish iron  
and coal  
fields.*

In the course of them his attention was drawn to the possibilities of the vast wealth of iron and coal lying side by side and undeveloped in Scotland. Accordingly, in 1760, he founded the Carron Works in Stirlingshire. There he built blast furnaces, and established a colony of skilled workmen imported from England.

It is, however, impossible to consider the progress of the iron industry without considering at the same time the progress of the coal industry. Coal for smelting was as necessary to the success of Dr Roebuck's venture as the iron which he smelted. Accordingly, we see him turning his attention to the sinking

of coal-pits. It was here that he found himself up against a standing difficulty: how to keep the mines dry. Hitherto hand pumps had been the only machines available, and hand pumps were incredibly laborious instruments where mining was carried on at all extensively. True, a clumsy type of steam pumping engine, or 'fire engine,' as it was called, had been constructed by Newcomen at the beginning of the century. But Newcomen's 'fire engine' consumed such an alarming quantity of 'fire' that it would have cost a fortune to use it.

At this point, however, a friend of Dr Roebuck's called his attention to the existence of a man in Glasgow, a scientific instrument maker, by name James Watt, who had constructed a model steam engine which appeared to be altogether more satisfactory than Newcomen's contrivance. Dr Roebuck immediately got into touch with the young man in question, persuaded him to visit the Carron Works in 1768, and finally entered into partnership with him with a view to the manufacture

*The coming  
of the steam  
engine.*

of steam engines on the new model. But Watt was a difficult partner. He was easily discouraged by ill-success; he had got into debt over his experiments, and financial responsibility for his wife and children weighed on his mind; in addition, he was physically delicate, a prey to devastating sick headaches. Nevertheless, the enterprise was successful. In a little outhouse on Roebuck's estate, carefully concealed from curious persons, under the driving encouragement of the exuberant Dr Roebuck, Watt constructed his engine; and from its successful application to the colliery

pumps there followed a considerable expansion in the output of coal. Nor was the new power confined to the pumping of mines. In 1790 the steam engine was harnessed to the blast furnace, and with this more powerful blast, something like a thirty per cent. saving of coal was effected by the iron smelters. Meanwhile, poor Roebuck had overspent himself and gone bankrupt. He lived to witness the success of Watts' engine, and the enormous development of the works which his own enterprise had established; but he himself reaped no share in the profits of either. He died in poverty, and his monument is the Scottish coal and iron industry which to-day stretches like a great black belt from the Forth to the Clyde.

In order, however, to realise the full importance of the developments which were taking place during these years in the coal and metal trades, we must trace the fortunes of another industry, one with which we are already well acquainted, namely, the textile industry. Here we see, during the same period, a series of even more striking changes. Our last view of the textile trade showed us an old-established and flourishing cloth industry, distributed throughout the country, and organised on what we have called the domestic system. It also showed us a comparatively new cotton industry concentrated, as a result of geographical causes, in Lancashire, and organised like the cloth industry on the domestic system. It was this latter branch of the textile trade which was destined to feel the first shock of change, and this for the straightforward physical reason that cotton thread thinner,

*Inventions  
in the  
textile  
industry.*

harder, and therefore more adaptable to rather clumsy machinery than the coarser woollen thread.

The first great name connected with the changes about to be described is that of Kay, who, in 1733, constructed a flying shuttle which enabled the domestic weaver to do his work more quickly and so turn out more material. This invention paved the way for what

followed, because it meant that great pressure was put upon the energies of the spinners whose business it was to keep the weavers supplied with yarn. Inventive

men were therefore racking their brains to devise some method of speeding up the production of spun yarns; and at last one of them, Richard Arkwright,

building on the tentative experiments of other men, succeeded in doing it. He

succeeded partly because he had at his disposal plenty of capital wherewith to buy materials, and await results. By 1775 he was working a spinning mill in Derbyshire by water power; and during the years which followed, power spinning became popular wherever men were rich and enterprising enough to set up the new machinery.

Nor was Arkwright's the only famous name connected with the spinning inventions of this period.

Hargreaves preceded Arkwright's 'water-frame' with the invention of the 'jenny,' a hand-spinning machine which enabled a single worker to spin over a hundred threads at once.

Crompton followed Arkwright with the construction of a 'mule' capable of producing a finer thread than had hitherto

been produced by machinery. And, of course, these



are only three outstanding names in a long series. Invention seemed to be in the very air that men breathed. The inventors might have their machines broken, they might be threatened with death and destruction by the handworkers for whom their inventions spelt unemployment and the uprooting of lifelong traditions—but they continued to invent.

The net result of their work was a fabulous increase in the output of spun cotton. We can see clear signs of this if we look at the figures which record our imports of raw cotton. Between 1771 and 1775, we were importing cotton at the rate of over four and a half million lbs. per year; between 1776 and 1780 at the rate of over six and a half million; between 1781 and 1785 at the rate of nearly eleven million; between 1786 and 1790 at the rate of nearly twenty-five and a half million. The old hand-spinners, for all their vain fury, had no need to fear unemployment; they were wanted to work the new machines. All that was required of them was that they and their wives and their children should leave the home, with its cow and its vegetable patch, and follow the machines into the new factories, into the power spinning mills which were rising among the Lancashire hills—wherever their owners could find streams of running water to drive their wheels. And if they preferred to stay at home there was plenty of weaving to be done, for weavers were better off than they had ever been. In the old days, as we have seen, before the coming of the machines, their work had been constantly hampered for want of spun yarn. Now there was spun yarn in abundance; more than they could cope with. As

*Pressure  
on the  
weavers.*

Radcliffe tells us in his reminiscences of this period, 'the old loom-shops being insufficient, every lumber room, even old barns, cart-houses, and outbuildings of any description were repaired, windows broke through the old blank walls, and all fitted up for loom-shops. This source of making room being at length exhausted, new weavers' cottages with loom-shops rose up in every direction; all immediately filled, and when in full work the weekly circulation of money as the price of labour only rose to five times the amount ever before experienced in this sub-division. . . .'

These were palmy days for the hand-loom weavers; but they did not last long. In 1785 Cartwright patented a power-loom capable of bringing weaving under the domination of machinery. As a matter of fact, this last invention was not applied on a general scale until after the opening of the nineteenth century. When it was so applied, the tide of the hand-loom weavers' fortune turned; indeed, it had already turned as a result of overcrowding in the weaving industry; and from 1815 onwards their history is a dreary tale of declining wages and increasing unemployment, until at last their generation died out altogether, and its place was taken by a race of factory operatives.

But the story of the textile inventions does not end with the coming of the water power machines. As a matter of fact, water alone would not have carried the industry very far in its development, since water power was limited. It is at this point that we begin to realise the full significance of the events described in connection with the mining and metal industries. Water power was limited; but steam power was not.

*Cartwright's  
power-loom,  
1785.*

The new engine which had been harnessed to the colliery pump and to the blast furnace had only to be harnessed to the cotton mill, and the question of power would be solved. This was done to an increasing extent during the closing years of the eighteenth century; and with the coming of steam spinning and later of steam weaving, we get a new migration of industry. The first generation of factory owners had planted their works among the hills on the banks of running streams. The second generation of factory owners preferred to live on the coalfields in easy reach of fuel and metal work for their machines. That is why, when we travel through Lancashire to-day, we find the coal and cotton industries inextricably mixed up together. Black slag heaps and colliery winding engines alternate with glistening throbbing cotton mills. The same family will send sons to the pit and daughters to the loom.

*The new concentration of industry.*

We must now turn our attention to another group of inventions, vital to the progress of coal mining and metal working as to cotton spinning, weaving, and all the other industries of the country which were developing in their wake. Clearly, it is no use producing goods in great quantities if those goods cannot be distributed over a wide area. If industry is to be developed on a large scale, adequate means of communication and transport must be developed along with it. Now we have already seen, in the foregoing chapter, that even in the early part of the eighteenth century, before any of the more revolutionary inventions had taken place, the means of communication were

*The transport inventions.*

insufficient to meet the demands on them. The growing number of Turnpike Trusts, which were busily at work on the main roads had not succeeded in solving the problem. Indeed, it was not until the opening years of the nineteenth century that the road system of England was seriously taken in hand; and its

reform is connected with the names of *Telford and Macadam*. two men—Telford and Macadam—backed by the Post Office and the Board of Agriculture. The Post Office was first driven to action by the intolerable difficulty of conveying the Irish mails, owing to the appalling state of the London and Holyhead road. After much agitation on the subject, it succeeded in 1815 in persuading the government to set aside £20,000 for the improvement of this road. Finally, with the help of a notable professional Highland road expert and civil engineer, Telford, it succeeded in constructing a continuously good road between the two points. Telford worked on the principle that a stone pavement was a necessary foundation for any road surface. His Holyhead road was an acknowledged success, it was infinitely better than anything that the old Turnpike Trusts had achieved, and it served as a model for many others.

In Macadam's opinion, however, Telford's system was all wrong. To him the 'Telford pavement' was unnecessary—the surface was everything, no matter how soft the soil which lay beneath it; and the surface should consist of small broken granite beaten hard and smooth. As a member of several Turnpike Trusts he had been experimenting with his system from 1783 onwards. At last, in 1810, he succeeded in attracting the attention of the Board of Agriculture, which, for

many years had been busily collecting information on the subject of road improvement. As a result of the support and advertisement which the Board gave him, we find him a few years later acting as professional expert road surveyor to a number of important Turnpike Trusts; and in 1827 the government appointed him Surveyor-General of Roads in Great Britain. Certainly he seems to have captured public confidence as against his more scientific rival Telford; and Dickens reflects the general feeling towards him and his methods when he writes that 'our shops, our horses legs, our boots, our hearts have all been benefited by the introduction of Macadam.'

But even before Macadam and Telford had embarked upon their work, the problem of transport had been partially solved by a new method:

the canal system. All through the first *The first canal, 1761.* half of the eighteenth century men had

been turning over in their minds the idea of a canal system as a possible solution to the eternal difficulty of moving things about. After all, canals existed in Italy and France. Why not in England?

Nothing was really accomplished, however, until 1761; and in that year a Lancashire colliery owner, the Duke of Bridgewater, succeeded in getting a canal constructed between his colliery at Worsley and the town of Manchester. The need for such a canal was obvious. Manchester was requiring year by year an increasing quantity of fuel, and the only means of obtaining it was by pack-horse. Coal which cost 10d. per horse load at the Worsley pit-head, cost something like double the price on its arrival in Manchester, a distance of less than ten miles. By promising the citizens of

Manchester a cheaper coal supply, the Duke was able to obtain their support when in 1759 he applied to Parliament for a private bill to empower him to carry out his project.

The bill passed without very much opposition apparently, because nobody seriously thought that the construction of such a canal was possible. Such was the lie of the land between Worsley and Manchester that any canal which connected the two places would have to be tunnelled through a hill and carried by aqueduct over a river. Indeed, a contemporary civil engineer described the project as a 'castle in the air.' Nevertheless, the Duke had obtained, at a cost of from 2s. to 3s. per day, the services of an indomitable millwright named Brindley; and Brindley believed that the thing could be done. By 1761 it *was* done. The 'castle in the air' had materialised, and hardly had public wonder and applause died down, when the Duke and Brindley set grimly to work again.

Manchester now had its cheap coal supply. The next business was to bring Manchester into close touch with the port of Liverpool, by opening up a new communication between Manchester and the navigation of the Mersey. At this point, however, the Duke found himself up against two new obstacles: the opposition of vested interests, and shortage of capital. The first of these obstacles meant that the Duke and Brindley had to face a hard parliamentary struggle in London before their second private bill became law. Their chief opponents were the proprietors of the Mersey and Irwell Navigation Company, who feared the competition of the new

waterway; and these were backed by a host of persons who resented changes of any kind, simply because they were changes. However, after much argument and explanation, the bill obtained what Brindley called, in his diary, a 'Me Jorete,' and the two set to work again. Then came the second obstacle. Night after night, the Duke and the artisan would sit smoking together after the day's work, nervously debating how expenses could be cut down, how money could be found to pay the workmen, how a few more inadequate loans could be squeezed out of the Duke's tenants. At last, when things seemed desperate, Child's Bank in London came to the rescue, and by 1767 the second canal was finished.

By this time Brindley was a known man. Manufacturers in all parts of the country, wishing to link their own particular areas to wider markets, began to compete for his services. His next venture was the Grand Trunk Canal, promoted by Wedgwood, the great Staffordshire potter, which opened up the pottery district by connecting the Trent and the Mersey with the River Severn. Its economic importance was tremendous. Formerly it had cost 50s. per ton to move goods by road from Wedgwood's works to Liverpool. Now, by canal, it cost 13s. 4d. per ton.

A veritable boom in canal construction followed, and the old conservative opposition melted away before it. By 1794, eighty-one canal acts<sup>a</sup> had been passed by Parliament. Capital poured into canal construction, and in 1795 a writer exclaims that 'nothing seems too bold for it to undertake, too difficult for it to achieve.' Canal companies reaped fabulous profits,

*Era of canal  
construction,  
1760 to  
1830.*

and their shares became immensely valuable. There was no question as to their superiority over the roads as a means of transport for heavy commodities. By the end of the eighteenth century the larger part of our existing canal system had been built; by 1830 the whole of it. And then, as suddenly as it had begun, canal construction stopped dead. Why, we may ask, did a development which affected economic life so profoundly and which paid so richly, come suddenly to an end in 1830? The question is easily answered. In that year the Manchester and Liverpool railway was opened.

In concluding our very brief survey of the eighteenth century we must not ignore a fourth field of enterprise — agriculture. The development of agri-

*The improvement of agriculture.*

culture along new lines was as vital to the economic progress of the country as the development of the metal and mining industries, the textile industries, and the means of transport. The speeding up of industry meant the piling up of wealth; it also meant, as we shall see in a little while, the rapid growth of population. And both these things in their turn meant an increasing pressure on the food supply and a rise in the price of agricultural produce. The result was that cultivators were given a very strong inducement to make their land more productive than it had ever been before, and in agriculture, as in industry, we see a series of striking improvements which profoundly affected the life of the country-side.

The outstanding names connected with the agricultural improvements are those of Lord Townsend, Robert Bakewell, and Arthur Young; though, of course, these are

*The work of Townsend,*



only three representatives of a numerous race of enterprising agriculturalists.

Lord Townsend retired from politics in 1730 to devote the remaining eight years of his life to the development of his estate at Raynham in Norfolk. His chief contribution to agricultural progress was his success in popularising the field cultivation of turnips, an achievement which earned him the honourable nickname of 'Turnip Townsend.' By a proper use of turnips it was found possible to improve agriculture in two directions. In the first place, turnips offered a good alternative crop to cereals, and thus enabled the farmer to dispense with the wasteful practice of a fallow year. In the second place, by providing a good winter food supply, they enabled the farmer to keep more beasts, and this in its turn benefited the land by increasing the supply of manure.

Bakewell is notable for his brilliant achievements in cattle-breeding. Under his influence we begin to find men breeding sheep with a view to their weight of mutton rather than their weight of wool; and so striking was his success that visitors from all parts of the world came to his farm at Dishley, in Leicestershire, to make the acquaintance of his wonderful beasts. His life's work may be summed up by quoting a few bare figures showing the average weights of carcasses in Smithfield market before and after his methods of select breeding became popular.

			1710		1795
Beeves	..	..	370 lb.	..	800 lb.
Calves	..	..	50 „	..	148 „
Sheep	..	..	28 „	..	80 „
Lambs	..	..	18 „	..	50 „

The third of our great agriculturalists, Arthur Young, is notable not as an inventor of new methods, but as a propagandist. Indeed, as a practical farmer he had shown so little ability that after having taken three farms one after the other, and lost money on them all, he gave up farming as a bad job and devoted himself to writing about it. It was as a journalist that he made his famous series of agricultural tours in connection with which he wrote a number of most fascinating descriptions of rural life. It was owing to his efforts that, in 1793, a number of influential people determined to establish a Board of Agriculture, and to appoint Arthur Young himself as its first secretary. The principal function of this new body was to collect detailed information regarding agricultural conditions throughout the country, and that done, to promote the spread of knowledge and the introduction of improvements by all means in its power. In the prosecution of this task Arthur Young displayed indefatigable energy. His enthusiasm seemed to be infectious; agriculture became the most fashionable of pursuits; great men, meeting in their clubs, would inquire after one another's turnips, and the King chuckled with joy when he heard himself referred to as 'Farmer George.'

There is, however, a darker side to this story of agricultural progress than the brilliant chronicle which we have briefly outlined. We know that at the beginning of the eighteenth century England was predominantly a country of open field husbandry. More than half its cultivated land was still being farmed by peasants on very much the same methods as those

which had been practised in the days of the manorial system.

Now, clearly, the old open field system, with its communal farming and its extensive tracts of unenclosed common, is not one which affords much scope for individual enterprise and scientific improvement. It was, for instance, impossible for one tenant to introduce Lord Townsend's scientific rotation of crops with turnip-growing as an alternative to fallow, until he had converted all his fellow tenants to his view and induced them to alter the system under which they and their ancestors had been accustomed to cultivate the open fields. A number of obstinate or conservative tenants could, therefore, hold up the progress of a whole village. Again, it was impossible for a tenant to experiment with Bakewell's methods of select stock-breeding, so long as his beasts were mixed up on the common pastures with the mongrel beasts of less enlightened men. Moreover, improved methods required capital—capital which could be expended on draining, building, manuring, or the purchase of pedigree beasts. But the tenants on the open field villages possessed no capital beyond the primitive agricultural instruments which enabled them to live from hand to mouth, raising just enough produce to provide food and clothes for their own families. And these tenants were, for the most part, perfectly content to muddle along in the old way so long as their immediate needs were decently met. It mattered little to them that the land might be made to produce more under the new methods. It was enough that the land supported them. Meanwhile, the old free and easy communal village life suited

them very well. Therefore it became obvious to those men who wished to go ahead, that enclosure must be the first step; and the kind of men who wished to go ahead would naturally be the landlords, the descendants of the manorial lords, or else, perhaps, the larger tenants, who had a certain amount of capital and wanted to make their land pay. As a result, we get, during the second half of the eighteenth century, a new enclosure movement.

Fortunately we have definite means of knowing exactly how extensive this second enclosure movement was. At the beginning of the eighteenth century the practice had grown up of carrying out the enclosure of a whole village, that is to say, the sorting out of its strips and the parcelling out of its commons into compact holdings, by private Act of Parliament. It was thus made possible for a majority of villagers who wanted enclosure to coerce a minority of villagers who did not, and get the thing done by the force of law. It would, therefore, be open to those who desired changed methods to prepare a petition to Parliament and get a private bill introduced. This being so, if we look at the Journals of the House of Commons to see how many enclosure acts were passed, we can at the same time find out how many villages were enclosed. This is what the Journals of the House tell us :—

Between 1700 and 1760, 200 Enclosure Acts were passed.

Between 1761 and 1801, 2000 Enclosure Acts were passed.

Between 1802 and 1844, 1883 Enclosure Acts were passed.

We know, therefore, that a few enclosures took place during the first half of the eighteenth century, but that during the second half of it, and the first half of the nineteenth century, there was a regular boom in enclosure. In fact, by the middle of the nineteenth century, there were hardly any open field villages left in England, and very few unenclosed commons.

It is quite obvious of course that, without this enclosure movement, the tremendous agricultural improvements of the time could never have been made; at least, they could never have become general and so increased the food supply of the country, and this was clearly recognised by the government. Arthur Young, when he became Secretary to the Board of Agriculture, was never tired of preaching the necessity for enclosure, and denouncing the stupidity and inefficiency of the old open field cultivators. Their system, in his view, was barbarous; wasteful; a thing which barred the way to progress. It was the men who could afford to rent large farms and put capital into their land who were going to save the country. And when we remember that from 1793 to 1815 we were at war with France, and, during the greater part of that time, cut off from foreign food supplies, when we remember that these very years saw the growth of a huge, hungry industrial population, who shall say that Arthur Young's policy was a misguided one?

To many of his contemporaries, however, it did seem lamentably misguided. The enclosure of an open field village might be a profitable enough transaction for the landlord who owned a great number of the strips, and who would, therefore, secure not only a large

*The  
hardships  
of  
enclosure.*

share of the old open fields,\* but also a large share of the common, when the land came to be parcelled out into individual holdings. It might also be a profitable transaction for the larger tenants, who, like the landlord, would secure big enough compact holdings to make improved methods and the investment of capital in the land worth while. It did not, however, appear so profitable to the smaller tenants, the descendants of the old cottars and bordars, men who owned only one or two strips, and who would, therefore, secure only a minute holding of land in the enclosed village. To such men the vague right to pasture beasts and cut fuel on a large common was an infinitely more precious thing than the individual ownership of a tiny plot of ground, so small as to be hardly worth cultivating. Moreover, on a large number of unenclosed commons there had grown up a class of 'squatters'; men who had settled there without any legal right whatever, and who remained simply because nobody took the trouble to interfere with them; men who just managed to scrape together a bare subsistence by pasturing a few beasts on the common, and occasionally working as hired labourers. To these happy-go-lucky vagabonds enclosure appeared as sheer robbery, because, having no legal common rights, they received no part of the common when it came to be divided among the villagers.

Therefore we find that the enclosure movement was carried forward in the teeth of considerable opposition. Whenever an enclosure bill came before Parliament, the smaller tenants would petition against it. Sometimes even when the bill had gone through and commissioners had invaded the village and begun to

parcel out its land, the small tenants and squatters would attempt to hinder their merciless and inexorable work by creeping out at night to tear down the fences and root out the hedges of the new enclosures. But they could no more stop the wheels of agricultural progress than the old hand spinners\* could stop the coming of the machines. The government, as we have seen, was throwing its weight on the side of those who wished to enclose. The enclosure bills had an easy passage through a Parliament which consisted almost entirely of large land-owners and their friends. The small tenant had to accept his fate, bid farewell to the free and easy life of the unenclosed common, and do the best he could with his two or three acres of enclosed land. As a rule there was only one thing to be done with it. He could sell it to a richer neighbour, and that done, look out for work as an agricultural labourer on some one else's land. He might, of course, tramp away to seek his fortune in the cotton industry as an unskilled factory hand. But that would mean a terrible uprooting, and if he were an old man he might prefer to stay in his village and face the third alternative—the poor law.

*The passing  
of the  
Yeoman.*

It is easy for us, looking back at those times, to say that our marvellous agricultural progress was not worth the suffering which it brought to the small men, to denounce the large farmers as merciless money-grubbers, and to condemn the government which backed them up as a body of men out to serve the private profits of the land-owning class. These things may be true; nevertheless, when we entered upon our long struggle of endurance with Napoleonic France,

it was upon the agricultural inventors and upon the large farmers who worked out their ideas, that the fate of this country depended. After all, the population had to be fed.

Yet it was a pity that its feeding cost us our small cultivators, for, by all accounts, they seem to have been a peculiarly happy race of men in spite of their muddling ways.



## CHAPTER X

### THE GREAT SOCIETY COMES OF AGE

Not of the princes and prelates with periwigged charioteers  
Riding triumphantly laurelled to lap the fat of the years,—  
Rather the scorned—the rejected—the men hemmed in with  
the spears;

The men of the tattered battalion which fights till it dies,  
Dazed with the dust of the battle, the din and the cries,  
The men with the broken heads, and the blood running into  
their eyes.

Theirs be the music, the colour, the glory, the gold;  
Mine be a handful of ashes, a mouthful of mould.  
Of the maimed, of the halt and the blind in the rain and the  
cold—

Of these shall my songs be fashioned, my tales be told.

MASEFIELD.

ECONOMIC historians have chosen the words 'Industrial Revolution' to describe that period of English history which saw the marvellous run of inventions outlined in the preceding chapter. We have traced their coming in four great branches of human activity: metal working and mining, textiles, transport, agriculture; and in each of these four spheres they seem to represent a conquest of man over nature. Our mineral wealth of coal and iron is laid bare and used to generate a new force—steam. The new force is harnessed to machines and made to produce wealth on an infinitely larger scale than the human muscle could ever have

achieved. The geographical barrier to progress—distance—is overcome by canals and scientific road construction. Our land is made more productive in order that it may feed us while we stand at our machines like gods, controlling and directing the new productive power. In industry after industry we read of increasing output, and of mushroom fortunes made by enterprising men; while in the world at large this country earned a reputation for wealth and economic power which made it the envy of its Continental neighbours. We are not surprised to find economic writers of the nineteenth century fixing their eyes on these tremendous new possibilities for the easy production of wealth, and hailing the Industrial Revolution as the most glorious period in English history. Clearly,

the new power should bring to mankind, as a whole, not only more wealth, but more leisure. It should free him from his most grinding toil and deliver him from the valley of the shadow of poverty.

*New opportunities for happiness*

And yet, for some reason (which the reader may determine for himself after hearing the facts), the Industrial Revolution did not, in practice, work out like this. It brought to the country, as a whole, an immensely increased income; it brought a large number of very rich men; it brought national prestige. But somehow the words 'Industrial Revolution' have come to be associated in our minds not with human happiness, but with human suffering. We connect it with the growth of slums, with the overworking of women and children, and with the coming of something like a class war.

*and suffering.*

Now it is quite possible for important changes to

take place in the methods of production without the everyday lives of the actual producers being very profoundly affected. It is possible, for instance, to substitute one kind of machine for another—electric power for steam power—without altering either the mental outlook or the home lives of the people employed on those machines. But the inventions of the Industrial Revolution have this striking feature: they so altered the methods under which wealth was produced, that the people who produced it were forced to live completely altered lives. They had to live in different places, they had to reorganise their homes, and they had to readjust their relations with the people who employed them. The Industrial Revolution meant not only a revolution in the methods of production; it meant a revolution in the everyday lives of the producers; and that, of course, is why it has earned its name. Let us then, for convenience' sake, break up our problem into three parts and consider exactly how the inventions described in the preceding chapter affected first, the population question, second, home life, and third, the relations between employers and employed.

Two things happened to the population of this country during the Industrial Revolution. In the first place, there was an alteration in the way in which it was distributed through-  
*The re-distribution of*  
 out the country. In the second place, *population.*  
 there was an enormous increase in its numbers. The first of these changes was, of course, mainly due to the development of steam power and its application to factory machinery. The coalfields became great centres of population because people

congregated there not merely to mine coal, but also to work on any kind of machinery which required steam power to drive it. Therefore, as regards density of population, the industrial north of England began to outstrip the agricultural south of England. Lancashire, Yorkshire, Cheshire, Derbyshire, and Durham, which in 1696 had been classed among our seven poorest counties, now came to rank among our richest and most populous. The agricultural counties of Hertfordshire, Bedfordshire, Buckinghamshire, Berkshire, Oxfordshire, Northamptonshire, and Surrey, which in 1696 had been classed as our wealthiest, increased in wealth and population certainly, but as compared with the northern counties, fell behind. Old centres of domestic cloth-making, such as York, Norwich, Exeter, remained stationary. Many agricultural villages even declined in population.

Meanwhile, the new manufacturing centres of the textile and metal industries leapt ahead. Liverpool, Manchester, and Birmingham, Bradford, Leeds, and Halifax, became not merely populous cities, but centres of great industrial districts over which mining and manufacturing villages were spread so thickly as to give the general appearance of a continuous, untidy town. In such districts green fields began to disappear under a brooding cloud of smoke; rivers grew muddy with the refuse of factories; and poets who had not yet learned to see beauty in gray and brown, mourned over the passing of blue and green.

Perhaps the most striking examples of such landscape transformation is to be found in the rise of South

## THE GREAT SOCIETY COMES OF AGE 181

Wales as an industrial area during the closing years of the eighteenth century. Its history is closely bound up with the astonishing career of one Richard Crawshay, who started his *and South Wales.* business life as an ironmonger's assistant in the City of London, and ended it as 'the iron king.' His early life shows a rapid rise from assistant to partner, from partner to proprietor. In the course of his ironmongery activities he came into contact with a group of London business men who were discussing the possibilities of South Wales as an untapped source of coal and iron. Already in 1780, small iron works and coal borings were appearing among its hills and valleys. So little was it developed, however, that, in 1765, a certain Mr Anthony Bacon had been able to acquire for £200 a year, a ninety-nine years' lease of all minerals in the forty square miles round Merthyr Tydvil. From him, in 1782, Crawshay succeeded in obtaining the lease of a large slice of land whose wealth of iron and coal he proceeded to develop in grim earnest. By 1812 he had become a notable captain of industry, and in that year he informed a Parliamentary Committee that he was turning out bar iron at the rate of 10,000 tons per year; which shows that by 1812 South Wales was well on the way to becoming what it is to-day: a very black and busy country-side.

On the whole, we may sum up the changes in the distribution of population by saying that, while the agricultural population remained more or less stationary, the industrial population, which was largely a town population, increased rapidly. In Gregory King's day about one-third of the total population of England and Wales lived in towns. By 1831, the

position had been reversed, and nearly two-thirds of it lived in towns.

This brings us to the second development which was taking place as regards the population of the country :

its sudden and rapid increase. Bare

*The  
increase of  
population.*

figures tell their own tale. Gregory King estimates that in 1688 the population of

England and Wales was somewhere about

5.5 millions. In 1720 it stood roughly at about the

same figure. By 1740 it had increased, but only

slightly, to just over 6 million. Between 1740 and

1760 the increase had become more marked—by 1760

it had grown to 6.7 million. The next twenty years

saw a sharp rise : in 1780 it almost touched 8 million.

In 1801 we get the first official census, and it shows us

a total population of close on 8.9 million. Two years

before this Malthus had published his famous *Essay*

*on Population*, to prove that population, if allowed to

grow unchecked, must inevitably outgrow the means

of human subsistence. He succeeded in creating

general alarm, but the increase continued. By 1821

the total had reached 12 million, by 1841 15.9 million

(a terrific leap), by 1861 it had passed 20 million.

To-day there are more than 37 million of us in England

and Wales. Yet Malthus' soul may rest in peace,

for in spite of his grim apprehensions our food supply

has more than kept pace.

We now have to inquire what was at

*Possible  
causes of  
increase.*

the back of this surprising growth of

population which occurred during the

period of the mechanical inventions. Was

it connected in any way with the changes in pro-

duction? It is a difficult question to answer, because

the growth of the population may be affected by so many different things. It would, for example, be affected by any advance in medical science, which resulted in the saving of lives. It would be affected by any improvement in agriculture which kept up the milk supply during the winter and reduced infant mortality. Nevertheless, it may be suggested that the almost unlimited openings for employment in the industrial districts, combined with the practice of allowing children to become wage-earners in factories at a very early age, did act as an encouragement to early marriages and large families. It is possible, too, that a general spirit of recklessness and adventure, encouraged by a fast-moving and catastrophic age, helped in the same direction.

Finally, there was no check put upon the increase by housing difficulties. At the present time the difficulty of finding a house, and the expense of maintaining it, does prevent many people from marrying young and having large families. In the early years of the Industrial Revolution, however, there was no 'housing problem.' People lived where they liked and how they liked, without the interference of building regulations or sanitary inspectors. They ran up jerry-built cottages built back to back so that no breath of air could circulate through them. They turned their back gardens into little crowded, unventilated, blind-alley courts. They crowded into basements and undrained cellars. They turned stately middle-class dwellings into tenements, and filled them up at the rate of several families to a room. And though there may have been no 'housing problem' at first, there very soon came to be one, as we shall see in a later chapter, when the

disastrous results of such overcrowding began to make themselves felt. Meanwhile, it may be left to the reader to imagine the effect of such housing conditions on the industrial workers' standard of comfort and decency.

We now come to our second consideration, the effect of the inventions upon home life. For a starting point, let us recall Defoe's description of the Yorkshire cloth industry as it existed in 1724.<sup>1</sup> In the first place he found the whole family gathered together in the home, busily performing the various operations of cloth-making, men, women, and children 'all employed from the youngest to the oldest; scarce anything above four years old, but its hands were sufficient for its own support.' Clearly, in such a household there would be no question of individual wages. The money earned would be a family wage, a joint income to whose production each member would contribute according to his or her capacity; and the parents would, in all probability, have the spending of it. In the second place, Defoe found that these cloth-working families as a rule carried on the double occupation of industry and agriculture. This was possible since the cloth-workers lived in country cottages, each surrounded by a little plot of land. As Defoe tells us, 'every one generally keeps a cow or two for his family.' This system would have two advantages: it would provide a certain amount of open-air life, and it would give the family a more secure economic position. When industry was slack, there would be agriculture to fall back upon. When

*Reorganisa-  
tion of  
home life.*

<sup>1</sup> See Chapter VIII., page 143.



agricultural conditions were unfavourable, more time could be devoted to industry.

Now, it is clear that as soon as industry is concentrated upon the coalfields, and as soon as the workers are gathered together in factories, these features of the old system must disappear. In the first place, the members of the family, instead of working together at their various processes under one roof, will have to leave the home and betake themselves to their respective factories, in which each will earn a separate weekly wage. In the second place, the fact that the new industrial areas are, for the most part, thickly-populated urban areas, will mean that the worker has to choose between industry and agriculture; he can no longer carry on both at once. Nor is he any longer master of his own time. The machines take possession of him. When their engines start, he must be there. Not until those engines stop can he go away. He himself seems to become part of the machinery, summoned in the morning, and dismissed in the evening, by the hoot of the factory siren.

The effect of these changes on home life are best told in the words of Gaskell—one of the many contemporary moralists who mourned over the degraded standards of the new industrial population. Gaskell wrote in 1833, after the changes had worked themselves out, and we may assume that he described things of which he possessed first-hand knowledge. 'In numerous examples,' he tells us, 'parents are thus become the keepers of lodging-houses for their offspring, between whom little intercourse

beyond that relating to pecuniary profit and loss is carried on. In a vast number of others, children have been entirely driven away from their homes, either by unnatural treatment, or have voluntarily deserted them, and taken up their abode in other asylums, for the sake of saving a small sum in the amount of payment required for food and house-room.' 'So complete is the separation of families,' he tells us, in a later chapter, 'and so entirely are all their members absorbed by mill labour, that it very frequently happens that man and wife do not meet during the day at all. Working at different mills, perhaps at opposite sides of the town, their various meals are procured at some lodging-house in the immediate neighbourhood—thus adding another evil—another cause of the dissolution of the domestic links—to the long list already brought under review.'

We now come to our third, and perhaps our most complex consideration: how did the inventions affect the relations between employer and employed? Briefly, we may say that they ushered in the modern phase of the 'conflict between Labour and Capital.' This is a difficult statement, and one which will need some explanation and a good deal of hard thinking.

At the present time, when we speak of the 'conflict between Labour and Capital,' we mean simply the struggle between workers and capitalists over the product of industry. We are using the word 'Capital' to mean not the actual instruments of production, but the persons who happen to own them, and who employ other persons to work on them. As a rule, we even broaden out the word Capital to include landowners.

We are told by some people that there is a fundamental *harmony* of interest between Labour and Capital; by others, that there is a fundamental *conflict* of interest between Labour and Capital. Both are right. Labour and Capital are in the position of two boys who have a pudding to divide between them.

*The  
problem of  
Labour and  
Capital.*

Their interests coincide in so far as both desire that the pudding shall be as large as possible; their interests conflict in so far as each wishes to secure the larger share. Exactly the same harmony and conflict of interest arises between those who possess instruments of production in the form of land or capital, and those who are employed to produce wealth with the indispensable help of such instruments. Their interests coincide in so far as both desire that the product of labour shall be as large as possible; their interests conflict in so far as each wishes to get the larger share of that product—Labour by virtue of the work it does, Capital by virtue of the property it lends. During the nineteenth century, however, the conflict of interest seems to have overshadowed the community of interest, and it has often been pointed out from the side of Labour that it is not much use exerting yourself to increase the joint product unless you are going to get a fair share of it when it comes to be divided.

Such, very briefly, is the problem of Labour and Capital at the present time. There are some people who believe that it can and will be solved by arriving at some system of division which both parties will recognise as fair and square. There are others who believe that it can only be solved by removing the actual capital from its present owners and transferring it to the

ownership of those persons who actually perform the labour; in which case the problem of division between a labouring class and a capitalist class would not arise at all. The same men would be both labourers and capitalists. Our present business, however, is not to discuss possible solutions of the problem, but simply to prepare the way for such discussions by finding out exactly how the problem came to arise.

Clearly there was no such problem in the days when industry was organised on what we have described as the 'handicraft system'; in the days, for instance, of the craft guilds. Certainly, in those days capital existed—it is impossible to imagine a time that it did not—but, as we have seen, it did not exist as something apart from the worker, something to be owned by one man and used by another under his direction.

Nor did it arise to any very noticeable extent at that stage of industry which we have described as the 'domestic system'; the system which, as we have seen, became predominant in England during the sixteenth century. It is true that domestic industry was organised and directed by a class of capitalist merchants and dealers, men who, in some cases, not only bought and sold the finished product of the domestic workers, but actually employed them to work on commission for piece wages. It is true also that the actual workers had become dependent upon these men with capital who organised their industry and transferred their product through various stages to the final purchaser. From time to time we hear of wage disputes between the domestic workers and their

capitalist employers, and of combinations among wage-earners for the purpose of forcing an increase in wages. Nevertheless, it is fairly certain that the workers, whether they sold their finished products to a dealer, or worked under him for piece wages, had not become generally conscious *as a class* of their dependence upon capitalists *as a class*.

We may account for this in two ways. In the first place, although the workers were, as a matter of fact, dependent on the capitalist dealer who marketed their goods, yet in their actual working lives they felt fairly independent. They worked in their own homes, they worked when they liked, and as a rule they possessed their own instruments of production—their tools or looms or whatever those instruments might happen to be. Even if they failed to sell their finished goods, and had to stop producing for a time, they had, as a rule, agriculture to fall back upon.

In the second place, the fact that these industrial workers remained at home, working as a family group, meant that they came less into contact with their fellow workers than they would under the factory system. There would be less opportunity for discussing grievances, less opportunity for remedying such grievances by joint action, less encouragement for the sense of corporate interest which we call 'class consciousness.' The effects of such isolation are seen to-day in those few industries where the industrial worker still works in the home—for example, in box-making, lace-finishing, cheap tailoring, artificial flower making, chain-making. It is notorious that trade unionism does not flourish in these industries, and it may be supposed that among

the causes of its weakness is the isolation of the workers from one another.

This brings us to the most recent stage of our industrial development—the rise of the factory system and the collection of workers into large buildings owned by one employer. The factory system comes with the mechanical inventions. It is not, of course, true to say that there were no factories before the middle of the eighteenth century. There were, as a matter of fact, quite a large number of industries in which people went out to work on their employer's premises, instead of staying at home and working on their own. In the mining industry, for instance, 'from a time whereof no memory is' men had gone out to work in mines owned by a capitalist employer. In the cloth industry, too, we hear of a factory which flourished at Newbury in the middle of the sixteenth century, and in which over 1000 cloth-workers were said to be employed. Nevertheless, it was not until the coming of the mechanical inventions that the factory system became the *predominant* type of industrial organisation; and it is easy to see why it became so. The new machines were such large and expensive things that it was no longer possible for the worker to possess his own. Moreover, after the introduction of steam power it became obviously more economical to collect a number of machines together into one large factory and drive them all from the same furnaces, than to have a separate source of steam power for each one.

But to the worker this change brought a new kind of dependence. Hitherto he had been dependent on the capitalist who supplied his raw

materials, bought up his goods, and transferred them to the final purchaser. Now, in addition, he became dependent on a new kind of capitalist—the capitalist who owned the instruments of production. And unless he could find such a capitalist and strike a bargain with him, he must sit still with folded hands and starve for want of wages. There was not even agriculture to fall back on under the new system, because when the worker settled down to factory life and factory hours he would probably find himself living in a place where there was no room for his garden, even if he could have found the time to work in it. And so loss of employment through trade depression, or a failure to come to terms with the man who owned the machines, would mean sheer destitution. Small wonder therefore that the worker began to feel more hopelessly dependent on the capitalist than he had ever felt before.

*The new  
dependence  
of the  
wage-earner.*

But it was not only the workers' dependence which increased with the coming of mechanical invention. His *consciousness* of that dependence increased too. He lived in a town and worked in a factory. He was in daily contact with other men doing the same kind of work as himself, suffering the same grievances. A few of the more enterprising of them might hope, with good fortune, to save money and become themselves owners of machines and employers of other men. But for the bulk of them the future held no prospect beyond permanent wage-earning. And the men who met day after day in the street and in the factory would find themselves drawn together in their attempt to make that wage-earning future as tolerable

as possible. They would begin to realise that by standing together and presenting some sort of a united front, they could make a better bargain with the capitalist employer. After all, if they were dependent upon the employer, he was dependent upon them—not so hopelessly dependent, of course, because he was richer and a week's idleness would not, in all probability, reduce his family to starvation as it would theirs. But still, he had to get 'somebody to work his machines, otherwise they would be of no use to him. If one or two of his workers became stubborn and refused to work on his terms he might very well do without them; but supposing they all refused to work? And supposing they had managed to save up enough money among themselves to hold out for a week or a fortnight, or even longer? It was obvious that by some such joint action the workers might make the conditions of their work a little more tolerable than they would otherwise have been. The one thing they needed was joint action—'combination' as it was called then; 'trade unionism' as it is called now.

Of course, any reader with an acute memory will at once exclaim that the existence of combinations among workers for the improvement of their position is no new thing. We only have to recall Chapter IV., and we find the saddlers' serving-men in the City of London forming just such a combination away back in the fourteenth century. All through economic history, from the fourteenth century onwards, we hear of wage disputes, of combinations, sometimes of strikes. And we hear of them still more frequently in the early eighteenth century, as an increasing number of hand-workers grew up under the direction of



capitalist merchants and dealers. It is not true, therefore, to say that the coming of the mechanical inventions and the factory system first gave rise to combinations and strikes, or that it created the problem of Labour and Capital. It is true, however, to say that the mechanical inventions increased the *need* for such combinations by increasing the helplessness of the worker. It is also true to say that they increased the *opportunity* for the formation of combinations by throwing the workers together and increasing their opportunity for discussion and joint action. Certainly, it was during the Industrial Revolution that combinations among workers became really widespread; it was during the Industrial Revolution that wage disputes became really bitter. Moreover, it was during the Industrial Revolution that the government became so alarmed at the prospect of labour trouble, that in 1799 it passed the Combination Act, which made it illegal for a man to join any kind of organisation for the purpose of improving the conditions of his labour.

In 1799 the organisations which we now call trade unions were made illegal societies and membership of a trade union became a criminal offence. In the course of the following chapter we shall see why it was that the government was induced to pass this oppressive and un-English law in the interests of the employing class.

We have now considered some of the principal ways in which the new methods of production affected the lives of ordinary people; and already the reader may have come to the conclusion that here was plenty of opportunity for suffering and discontent. Looking back across a century of history at this bewildering

period, we may suggest that the nation was scrambling for wealth so busily that it could not find time to tidy up the mess it made as it went along; and the economic history of the nineteenth century is largely concerned with the attempts of later generations to get that mess cleared away. When we walk through some of our less prosperous industrial areas at the present time, we may be tempted to say that there is still a good deal of it lying about.

## CHAPTER XI

### THE ATTEMPT TO UNDERSTAND

Wer will was Lebendigs erkennen und beschreiben  
Sucht erst den Geist herauszutreiben,  
Dann hat er die Teile in seiner Hand,  
Fehlt leider! nur das geistige Band.—GOETHE.

(‘He who would understand and describe a living thing, begins by trying to eliminate the Spirit. Then he has the parts in his hand; only, unfortunately, their spiritual connection is missing!’)

‘I HAD no conception,’ said Ruskin, ‘of the absolute darkness which has covered the human mind . . . . until I began to come into collision with persons engaged in the study of economical and political questions. The entire naïveté and the undisturbed imbecility with which I found them declare that the laws of the Devil were the only practicable ones, and that the laws of God were merely a form of poetical language, passed all I had ever before heard or read of mortal infidelity.’

*Political  
economy.*

That is what Ruskin thought of Adam Smith, of Malthus, of David Ricardo, of John Stuart Mill, and of all the other great thinkers of the Industrial Revolution, who tried to ‘understand and describe’ the developments which were taking place in the economic life of their time. Whether this terrible denunciation is justified or not must be left to the personal opinion

of the reader. We can, however, consider why Ruskin was tempted to make it.

It was during the Industrial Revolution that men in this country first began to make a scientific study of economic matters. This does not, of course, mean that nobody had ever before discussed economic questions or written books about them: as a matter of fact, they had done so since the days of Plato. It means that not until about the middle of the eighteenth century were economic ideas woven into a distinct branch of science, with a name of its own—Political Economy—and a set of recognised principles relating to the production and distribution of wealth, from which deductions could be made, and upon which practical conclusions could be founded.

It is one of the uncomfortable characteristics of Economic History that almost every statement of fact has to be qualified. When we say, for instance, that the factory system arose during the Industrial Revolution, we have to qualify it by saying that quite a large number of factories existed before the Industrial Revolution. When we say that James Watt invented the steam engine we have to qualify it by saying that, as a matter of fact, a very cumbersome kind of steam engine had been invented by Newcomen more than fifty years earlier. And so now, when we say that Adam Smith was the first great English Political Economist, we must qualify it by saying that quite a large number of important economic books had been published before his time, and that almost everything he said had already been said, though less forcibly, by other men. And so, having duly performed the tiresome duty of qualification, we may introduce Adam

Smith as the 'Father of Political Economy,' the first English economic writer to strike the imagination and influence the opinion of the British public.

Adam Smith's great book on Political Economy is called *The Wealth of Nations*, and it was published in 1776. By 1776 the hills of Lancashire were dotted with water-driven cotton mills; Watt was busily engaged in turning out steam engines at his Birmingham works; Parliament was already occupied with a stream of Enclosure Acts. Adam Smith, therefore, came forward at a time when tremendous new possibilities were already opening out for the production of wealth, and his book represents an attempt to analyse the conditions under which this production was taking place. It is, however, something more than a piece of scientific analysis—it is also a piece of very forcible and practical advice. Having determined the fundamental conditions under which the members of a community will produce wealth to the best advantage, he points out that in his own country unwise institutions have prevented these conditions from being fulfilled. Briefly, his argument is as follows :—

He assumes, in the first place, as a matter of practical experience, that on the whole men may be trusted to pursue their own self-interest : to buy as cheaply as possible and sell as dearly as possible : to do the best for themselves with the smallest possible expenditure of money and labour. This will naturally lead them, in competition with one another, to apply their labour and invest their capital in the most productive manner possible.

*'The Wealth of Nations'*

*and its teaching.*

If each individual does this it follows that the nation as a whole, which consists of individuals, will also be applying its labour and capital as productively as possible; and any government interference which diverts the natural flow of labour and capital and forces it into other channels merely causes it to be employed less productively than would otherwise be the case. His advice to governments may, therefore, be summed up in the words *laissez faire*—leave things alone.

But, of course, this brought him into conflict with views which had been held by practical statesmen and economic thinkers from time immemorial. For centuries the English government had acted in the belief that the economic interest of the individual might conflict with the economic interest of the nation as a whole, and that national productive power might be increased by state interference—by the encouragement of one industry or the suppression of another, above all, by the continued attempt to accumulate a store of gold within the country by the maintenance of a favourable balance of trade. Therefore we find that one of the most important sections of *The Wealth of Nations* is the great block of chapters in which its author describes and attacks the 'Mercantile System.' He asserts that any such attempt to increase the national wealth is not merely futile, but positively harmful. 'It retards instead of accelerating the progress of society towards real wealth and greatness, and diminishes instead of increasing the real value of the annual produce of its land and labour.' 'The obvious and simple condition of natural liberty' is the fundamental condition for the proper operation

of economic laws. Under such a system, 'Every man, so long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man.'

Such was the practical teaching of Adam Smith, the first member of that great group of economic writers whom we may describe as the Classical Political Economists. Those who came after him broadened his arguments, applied his scientific method of reasoning to new problems as they arose, and, in some cases, modified his conclusions. Nevertheless, they stuck firmly to his fundamental principle and their general advice to successive governments continued to be *laissez faire*.

It now becomes clear why Ruskin regarded these gentlemen with such aversion. To him self-interest was an evil thing; men ought not to pursue their own self-interest, and the idea that the national well-being depended upon their doing so was odious. Naturally, then, he regarded the Political Economists, who gravely asserted that self-interest was a providential force which should be allowed to act unchecked, as little better than devil-worshippers.

*Ruskin's  
criticism.*

Now the advice which Adam Smith and his followers gave to the government fitted in very well with the general swing of public opinion during the Industrial Revolution period, and for various reasons. In the first place, the dispute between this country and its North American colonies had come to a head. In the very year in which *The Wealth of*

*Public  
opinion  
and  
political  
economy.*

*Nations* appeared, the North American colonies declared themselves independent. Prominent among the various causes of exasperation which led up to this decision, was the heavy-handed attempt of this country to regulate colonial industry and trade in accordance with 'mercantile' principles. And yet, curiously enough, when those colonies became independent, and the obnoxious regulations had ceased to exist, they continued to trade just as vigorously with the mother country, not because they were forced to do so by law, but because it was to their advantage to do so. The whole affair was, to say the least of it, a poor advertisement for those 'mercantile' principles which Adam Smith was attacking so furiously.

In the second place, as regards interference with internal economic affairs, the country needed no converting. The government had, as we have already seen, long since given up the attempt to see that wages were regulated by the J.P.'s in each county, that unemployment was prevented by due attention to Elizabeth's Poor Law Act, that nobody set up in trade or industry without a seven years' apprenticeship. True, the Acts of Parliament which required these things to be done were still on the Statute Book, and therefore still part of the law of the land. But nobody took the trouble to enforce them, and it is probable that most people had completely forgotten their existence. Adam Smith's 'obvious and simple condition of natural liberty' was certainly an established fact as far as the internal government of the country was concerned.

In the third place, there is no doubt that people were bewildered and perhaps a little intoxicated by the



economic progress of their time. They saw that individual enterprise was doing wonderful things, developing vast new sources of productive power, piling up great fortunes, giving employment to increasing numbers of people, and they were desperately afraid of interfering with the process. At the present time, when we are told that this or that piece of legislation is going to kill a large and flourishing industry or check the enterprise of its promoters, we are apt to be a little sceptical. We know that modern industry has managed to survive a good deal of government interference in spite of many gloomy prophecies. But to eighteenth and early nineteenth century thinkers, modern industrial organisation was a new phenomenon. It was like an imperfect and complicated but wonderful and profitable machine; and men were afraid to tamper with its works for fear of doing it more harm than good.

In the fourth place—and here we are on very debatable ground—the people who were best in a position to influence the government of the country were the very people who stood to gain by letting economic developments take their free course. In the eighteenth century, education—the power to read and write, the power to learn other people's views and express your own—was confined to a narrow class of comparatively well-to-do people. Parliamentary government, too, owing to an unreformed franchise system, and the exclusive social traditions of English politics, was in the hands of a still narrower class of well-to-do people. And it was these well-to-do people who were best able to take advantage of the new openings in industry and agriculture and least likely

to suffer from their social effects. To them an 'obvious and simple condition of natural liberty' meant liberty to employ as many unapprenticed children as they could get hold of, liberty to pay as low a wage as they could persuade an ignorant worker to accept, liberty to enclose an open-field village, liberty to buy up their poorer neighbour's holdings when it was enclosed.

To one section of this well-to-do class, however, that section which owned land, the 'obvious and simple condition of natural liberty' needed one modification. It ought not to include liberty to import cheap corn from abroad—and, until the middle of the nineteenth century, it was not allowed to.

Thus, for the reasons suggested above, and perhaps for many others, which the reader may determine for himself, the teaching of Adam Smith and his followers fell on fruitful ground. Business men and practical politicians preached the doctrine of *laissez faire* even more ruthlessly than the Political Economists themselves, and the government was only too ready to stand aside from the task of controlling and directing the bewildering developments of the Industrial Revolution. It therefore made no laws to secure that the new factories should be reasonably healthy places, no laws to prevent little children from being worked to death in them, no laws to guarantee the workers a living wage, no laws to prevent people from building houses without any drains, no laws to keep the small cultivator on the land. And we are left to speculate as to whether such laws, supposing they could have been enforced by an eighteenth-century government, really would have checked the wheels of economic progress. It is just

possible that even if they had, the game would have been worth the candle!

In one direction, however, we begin to find as early as the end of the eighteenth century, the beginnings of a revolt against the policy of undiluted *laissez faire*. Public opinion could not and would not stand cruelty to children. To this it may be replied that the domestic system of industry must have involved just as much cruelty to children as the factory system which superseded it. After all, there is something very offensive to our modern ideas in the practice which Defoe describes of making 'anything above four years old' work for its own support. An eighteenth-century writer tells us that 'the creatures were set to work as soon as they could crawl, and their parents were the hardest of task-masters.' Nevertheless, whatever may have happened under the old system, happened out of sight in the home; and it was not until the children had followed their work out of the home into the factories that the public became really alive to the cruelty of their conditions.

*The revolt  
of the  
child-lovers.*

It was in connection with one particular class of children that the worst forms of cruelty existed. These were the parish apprentices—the little Oliver Twists—who were given away by the Parish Overseer with a few pounds premium to any employer who would take them off his hands. The transaction was a profitable one for the ratepayers of the parish, because these were relieved of the expense of maintaining the children in the workhouse. It was profitable to the employer because he secured the children's labour

*Parish  
apprentices,*

without any expense beyond the barest minimum of food, clothes, and lodging. But it was not always a profitable one for the children, because as a rule the Parish Overseer took no trouble to see that they were well treated by their new masters, no trouble to secure that they were reasonably fed and housed, no trouble to see that they were taught a trade in return for the premium. They were, in fact, not apprentices in the sense of learners, but simply helpless little slaves.

Some light is thrown on the position of the eighteenth-century parish apprentice by a poem of Crabbe's written during the second half of the century. The poem is founded on actual facts which occurred in the author's native town of Aldeburgh. It tells how a certain disreputable fisherman called Peter Grimes, hearing that the London workhouses would supply pauper children to tradesmen, determined to secure one for his own purposes.

'. . . and when a lad was found,  
The sum was dealt him and the slave was bound.  
Some few in town observed in Peter's trap  
A boy with jacket blue and woollen cap;  
But none inquired how Peter used the rope,  
Or what the bruise that made the stripling stoop;  
  
None put the question: Peter, does thou give  
The boy his food?—What, man! the lad must live:'

And after three years of cruelty the boy died. There was a certain amount of hostile gossip—'some questions asked'—but nothing was proved, and Peter went scot-free. After that he got another apprentice; and another; each being done to death with indescribable

brutality. After the third fatality he was summoned before the mayor and forbidden to receive any more apprentices. That was the extent of his punishment.

In spite of such occasional cases, however, the workhouse apprenticeship system excited very little attention until the coming of the cotton factories. It was here that evils occurred on the largest and most obvious scale. As the new factories, jerry-built insanitary structures, arose among the Lancashire hills, planted in lonely places on the banks of running streams for the sake of their water-power, the masters became increasingly anxious for the cheap labour of parish apprentices. There was often very little free labour to be had in such places. Accordingly, we hear of great wagon-loads of pauper children being drafted off from the workhouses of neighbouring towns, and abandoned to the cruelty or benevolence, as the case might be, of the new master manufacturers. And it was well known that as a rule those pauper factory children were overworked, badly housed, and generally neglected.

*and their  
sufferings  
in the  
factory.*

As a result, therefore, of the revelations which gradually filtered through to the public consciousness, an Act was passed with very little opposition in 1802, entitled the 'Health and Morals of Apprentices Act.' According to its provisions, no apprentice was to be employed on night work or for more than twelve hours a day. Apprentices were to be instructed in reading, writing, and arithmetic, were to be given a new suit of clothes every year, and were to attend

*The first  
Factory Act,  
1802.*

church once a month. Boy and girl apprentices were to sleep in separate rooms and not more than two were to share a bed. Factories were to be properly ventilated and whitewashed twice a year.

This act is important, because it represents the first attempt of the government to regulate conditions in factories; it is, in fact, our first Factory Act. Unfortunately, however, it can hardly have made very much difference to the factory life of the time. In the first place it was never properly enforced. There were no factory inspectors; their work was entrusted, in accordance with the approved eighteenth-century fashion, to unpaid amateurs: to the J.P.'s. But even if it had been enforced, its enforcement would have affected a very small number of people. For the Act only applied to parish apprentices, and only to such of these as worked in cotton or woollen factories. And in the years which followed its enactment the employment of parish apprentices in such factories began to die out of its own accord. The lonely water mills of the hill districts, as we have seen in an earlier chapter, gave place to the larger steam mills of the populous mining districts. Under such circumstances, factory owners found it cheaper to give up employing parish apprentices whom they had to feed, house, and clothe, and employ instead the children of the surrounding inhabitants, who lived at home. And for the 'health and morals' of such children, the law undertook no responsibility whatever. It will be seen, therefore, that even after the passage of this first Factory Act, the evils of child labour in factories still remained almost entirely unregulated.

Before dealing with the next definite step in the

history of factory legislation, it is necessary to introduce to the reader one of the most important social reformers of the nineteenth century, Robert Owen. Owen was the son of a small tradesman; like Crawshay, he started life as a London shop assistant. Later he moved to Manchester, and there made money by constructing textile machinery. By 1799 we find him established as partner in the New Lanark cotton mills near Glasgow, and it was there that he began those experiments in improved factory conditions which have made the name of New Lanark famous in the history of social reform.

*Robert Owen,*

*and his  
work at  
New  
Lanark.*

Perhaps the most important thing about Owen's experiments is the spirit in which he made them. The New Lanark mills as he found them in 1799 were notoriously well managed. And yet the factory population from which they drew their labour was a brutalised, thieving, drunken race, mostly immigrants from distant places who had come to settle in the village attached to the mills. In addition to them, the mill employed from four to five hundred children, mostly between five and ten years, imported from the surrounding workhouses. These worked for thirteen hours a day, and beyond that were supposed to do two hours' lessons between 7 and 9 p.m.

Now, Owen's view of life was briefly this: he believed that every infant is capable of being formed into a very good or a very bad man or woman according to the environment or external circumstances which are allowed to influence it from birth onwards. Looking round at the brutal and stunted factory population of New

Lanark, he saw in them not a badly born race, but a badly reared race—a race of men who had been made what they were by the external conditions of unregulated industrial life. He believed, therefore, that if the conditions of that industrial life could be altered, the people would be altered too. And so he set out to alter the conditions of New Lanark.

His first concern was with the children. From the beginning he refused to take any more parish apprentices; he also refused to employ any child under ten years old. That done, he cut down their hours of work to twelve per day, and would have cut them down further if he had not been obliged to conciliate his more cautious partners. Nevertheless, he was able to prove something which his contemporaries were very slow to believe; namely, that under certain conditions a reduction of working hours may result in an increased output owing to the increased vigour of the worker. Finally, he succeeded in establishing an exceedingly merry and well-equipped model village school.

His second concern was with the village and its adult population. Here he had to fight not only the doubts of his partners, but also the suspicion and hostility of his workers. But at last he succeeded in rebuilding the houses and introducing some semblance of street scavenging. It is possible that many of Owen's improvements may sound to us a little fanatical. All the doors in the village had to be closed by 10.30 p.m.; after that nobody was allowed out. In the factory, because the idea of punishment was abhorrent to him, he introduced a curious appliance known as the 'silent monitor,' a four-sided block of wood, coloured black, blue, yellow, and white, suspended in front of each



worker, with its white, yellow, blue, or black side turned towards him according to his standard of conduct on the previous day. No doubt such things would have been exceedingly irritating to the workers had it not been for the rare personality of Owen himself. Gradually it bore down all their old hostility, and a conviction filtered through to them that he was not simply out to make profits by turning them into more efficient animals, but that he was ready, if necessary, to lose profits for the sake of their personal welfare.

Fortunately, however, it was not necessary. The New Lanark mills paid. Owen was able to do something more than preach to the public about the morality of decent factory conditions. He was able to prove to the public that the profits of industry were not dependent upon long hours and brutalising surroundings; and thus the record of his practical experiences at New Lanark was a valuable weapon for those who were agitating in favour of new factory legislation. To that agitation we must now return.

*Human  
welfare  
and  
business  
profits.*

The leader of the second campaign on behalf of the factory children was Robert Owen; the opposition, his fellow manufacturers, outraged by the thought of State interference with their private business affairs. And behind them loomed Political Economy, with its gospel of *laissez faire*. After all, the Act of 1802 could hardly be regarded as real interference between employer and employed. The parish apprentices were not exactly 'employed,' and interference with the conditions of their factory life was really nothing more than a minor poor law reform. But Owen and his

friends proposed to do something more. They proposed to restrict the labour of all children—the children of free parents; and surely, it was argued, the parents of those children should be trusted to know what was good for them. Moreover, in cutting down working hours the government would simply be encouraging that most dangerous and unprofitable of human tendencies: idleness in the young. Idle people become criminal and drunken people. Everybody knows what kind of work Satan finds ‘for idle hands to do.’

In 1816, however, and in the teeth of such reasoning, Owen succeeded in persuading the government to appoint a Parliamentary Committee to investigate the question of the hours of factory children. In the course of its inquiries it obtained evidence of the employment of children in factories, in some cases as early as three and four years old. It also found that in certain branches of the woollen industry children were being employed in factories for as long as sixteen hours a day.

It is not surprising that the Committee came to the conclusion that the existing system of child labour was detrimental to health. As a result of its report a Bill was introduced, which became law in 1819, after a stormy and difficult passage through both Houses of Parliament. In the course of that passage some of its most important clauses were cut out, notably that which required the appointment of paid inspectors; others were lamentably weakened by amendments. On the whole, this second Factory Act was a very mild measure of reform, and, like its

*The second  
Factory Act,  
1819.*

predecessor, it was not vigorously enforced. Nevertheless, it *was* a measure of reform; it prohibited the employment of all children under nine years of age in cotton factories; it limited the hours of those under sixteen in such factories to twelve per day; and in doing so it violated the sacred principle of non-interference between employer and employed.

The third phase of the struggle opened in 1830 with the publication of a series of passionate letters to the *Leeds Mercury*, under the title 'Slavery in Yorkshire.' Their author, Richard Oastler, accused his countrymen of tolerating at home a system more cruel and oppressive than the negro slavery which they were so busily attacking abroad. His cause was taken up by a number of influential men, among them Michael Sadler, M.P., and, most important of all, Lord Ashley, afterwards Lord Shaftesbury—the best friend that children have ever had. These men were for the most part Tories; they are sometimes spoken of as the 'Tory Philanthropists'; and their agitation, unlike Owen's, was characterised by furious denunciations of the manufacturers. As a result of their activities, a Select Committee was appointed in 1832, and a Royal Commission in the following year, both of which succeeded in collecting a mass of disconcerting evidence concerning the hideous evils of child labour.

Witnesses told pathetic stories of little children coming home late at night, crying with fatigue after the long hours, falling asleep with food in their mouths, only to be hauled out of bed by their parents in the small hours of the next morning, and dressed, still half asleep, in preparation for the day's grinding toil. And about one thing there was no doubt whatever.

The system was bringing into being a stunted and deformed industrial population. In the same year as the appointment of the Commission therefore, a new Act was passed. This Act is important not merely because it restricted still further the age at which children might be employed, and the hours during which they might work, nor because it extended these restrictions to all textile factories, but because it was the first Factory Act to establish proper machinery for its own enforcement. Clause XVII. provided for the appointment of four professional inspectors. The unpaid amateur was no longer trusted.

*The Third  
Factory Act,  
1833.*

Seven years after the passage of this Act the public became aware that evils which it had been attempting to root out of the textile industry existed in a still more aggravated form in another great industry: coal mining. They had simply, as it were, been driven underground.

*Light on the  
coal mines.*

The coal mining industry had not been revolutionised in the same sense that the textile industry had been revolutionised by the coming of machinery. That is to say, its methods of production had not been so reorganised that its workers had been forced to reorganise their home lives. But, as we have already seen, it had expanded enormously, and coal mining had been rendered less laborious and slightly less dangerous by the adoption of steam pumping engines at the end of the eighteenth century, and by the introduction of Sir Humphry Davy's safety lamp at the beginning of the nineteenth.

Unfortunately, however, we know very little about

the conditions of these underground workers during the early years of the Industrial Revolution. We know, of course, that their life must have been exceedingly dangerous, for the expansion of the industry is marked by an increasing number of fatal accidents from falls of roof, explosions, and floodings. We know, too, that during the eighteenth century the Scottish colliery workers were in the position of serfs, bought and sold with the mines, because in 1775 we find an Act of Parliament describing their condition and enacting that such 'Slavery or Bondage' shall cease. Finally, we know that early in the nineteenth century, in the Scottish district at least, large numbers of women were employed underground. In 1808 a colliery agent named Robert Bald published a treatise on the Scottish coal trade, in which he described the appalling conditions under which these women worked.

But not until 1840 was any real attempt made to find out exactly what was occurring underground in the great new coal areas throughout the country. In that year Lord Ashley for the first time called the attention of Parliament to the evils of child labour in coal mines, and persuaded the government to appoint a Royal Commission to investigate and report on the matter. The Commission reported in 1842 and the account which it gave of life underground confirmed all that Lord Ashley had said in 1840. Its report was embodied in eleven large blue-books, giving detailed information as to conditions of work in the various coal mining areas throughout the country. Everywhere, it was usual to employ young children underground;

*The Royal  
Commission  
of 1840-2.*

in a large number of districts women and girls were also employed. Their labour consisted, as a rule, in 'drawing or putting,' that is, pushing, dragging, or carrying the coal along the galleries from the working face to the bottom of the shaft. In some of the Scottish pits women were actually employed to carry it in baskets up to the surface, sometimes several hundred feet by ladder. This work often obliged the 'drawer' to crawl many miles per day along the narrow galleries on hands and knees, with the heavy coal tub attached by a chain to the leather belt round his or her waist. Children were employed on this work in the narrowest seams, which were sometimes less than two feet thick, on account of their conveniently small size. The youngest children, however, and they sometimes entered the pits at four and five years old, were employed as 'trappers.'

Any one who visits a coal mine will notice that in going along an underground gallery, he frequently has to pass through traps or doors. These are kept closed, and are necessary in order to secure a proper current of air through the workings of the pit. The work of a 'trapper' consisted in sitting beside one of these doors and pulling it open whenever a 'drawer' came along. Obviously it was unskilled work which a very young child was physically capable of performing. But the Commission tells us terribly pathetic stories of little children sitting in the black darkness hour after hour waiting eagerly for the sound of an approaching 'drawer,' sometimes begging a scrap of candle from a kind-hearted collier to keep the shadows at bay for a little while. Sometimes these children would never see daylight for months together, as they

would go down the shaft before the winter sunrise and come up after sunset. And of all these unfortunate children the most unfortunate were the parish apprentices. Fathers and mothers were sometimes hard task-masters in the pits and out of them, but they were a shade less hard than the colliers who had managed to acquire workhouse children for the purpose of making money out of them. Any reader who takes the trouble to search out the first volume of the report of this Royal Commission in any library will find it an absorbing document. One glance at it will dispel the conventional belief that government blue-books are necessarily dry reading.

As a result of its report, and in spite of violent opposition by the coal owners, an Act was passed prohibiting the employment of women underground and limiting the employment of boys to those over ten years. This Act of 1842 is the first of a long line of Coal Mines

*The first  
Coal Mines  
Act, 1842.*

Acts passed at intervals during the next seventy years or so. As a result of these successive acts, the coal mining industry, which is undoubtedly the most dangerous, has gradually become the most closely regulated industry in the country. The extraordinary minuteness of its regulation may be gathered by a glance at the most recent of the Coal Mines Acts, that of 1911, which is 85 pages thick and contains no less than 127 clauses.

The Coal Mines Act of 1842 is, moreover, not merely important as the pioneer of a long line of Coal Mines Acts, it is also important as the pioneer of a long line of Acts limiting women's labour. For the moment, however, we must leave the story of labour legislation

and return to the subject from which we started—Political Economy. We have considered labour legislation thus far in order to show that in one direction at least a large hole was being made in the policy of complete economic *laissez faire*. As a Member of Parliament confessed in 1843, 'the stern principles of Political Economy must sometimes yield to the cry of misery and to considerations of humanity.'

Nevertheless, we must not regard the Political Economists as inhumanly logical in their support of non-interference. The principal opposition

*A vindication  
of Political  
Economy.*

to the Factory Acts came from business men who conceived that their opportunities for profit-making would be limited by legal restrictions, and these men were often only too ready to use the doctrines of Political Economy to further their own interests. But of the Political Economists themselves, it may be said that those who opposed interference with child labour genuinely believed that the only alternative to long hours was loss of wages and consequent starvation. Meanwhile, John Stuart Mill, one of the last great exponents of 'Classical Political Economy,' believed that whatever might be said of the benefits of free contract as between grown-up people, in the case of children such free contract did not exist. Children were not free to pursue their own self-interest even if they had been capable of determining in what direction that self-interest lay. 'Freedom of contract in the case of children,' he said, 'is but another name for freedom of coercion.'

As we have already said, the reader must determine for himself how far Ruskin was justified in his view of



the Political Economists. Nevertheless, three things must be borne in mind when that judgment is made. In the first place, neither Adam Smith nor any of his followers must be judged by what other people said that they said : by the use which self-interested business men made of their doctrines. In the second place, we must try to see them with their historical background, as pioneer thinkers grappling with the concrete problems of a new social order. In the third place, we must not forget that the Mercantile System was still 'practical politics' at the end of the eighteenth century. If the teaching of Adam Smith and his followers helped to delay much that was good, it also helped to clear away much that was bad. And so, having opened this chapter with one quotation from Ruskin, we may fittingly close it with another. 'Nothing, perhaps, bears on the face of it more appearance of folly, ignorance, and impertinence, than any attempt to diminish the honour of those to whom the assent of many generations has assigned a throne.'

## CHAPTER XII

### RECONSTRUCTION

'If seven maids with seven mops  
Swept it for half a year,  
Do you suppose,' the Walrus said,  
'That they could get it clear?'  
'I doubt it,' said the Carpenter,  
And shed a bitter tear.

CARROLL.

WE have seen in the preceding chapter that from 1802 onwards very tentative and inadequate attempts were made to tidy up some part of the mess left by the Industrial Revolution. Gradually the government found itself compelled by considerations of simple humanity, to interfere with a few of the worst and most obvious evils of child labour in factories. For the rest, no real constructive attempt was made to control the changing conditions of social life or to avert their most evil effects. It is interesting to speculate on the reason for this extraordinary paralysis of the government in face of the terrible social confusion and human misery which prevailed. We cannot put all the blame on to the political economists. These may have preached *laissez faire* in economic matters, but, as we shall see later, some of them preached at the same time very vigorous reform in social matters, in poor law, education, public health, local government.

*The  
beginnings  
of re-  
construction.*

Perhaps two general considerations may help us to account for the inactivity. In the first place, the political world was deeply absorbed in other matters. Until 1815 the best energies of the government were concentrated upon the struggle against Napoleon. Until 1832 politics were dominated by the question of parliamentary reform. To many people it seemed as though the first step towards any real reconstruction of social life must be the proper representation of the people in the parliament which was to govern them.

In the second place, there is no doubt that the government of the day, with the horrors of the French Revolution still fresh in mind, was so blinded by the fear of revolution at home that it was incapable of dealing justly with the discontent and unrest which surrounded it. Hayricks were burnt, machinery broken, midnight meetings held, reform demonstrations organised, and the only cure for such ills, in the eyes of a panic-stricken government, seemed to be wholesale arrests and prosecutions, the suppression of free speech, the muzzling of the press, and the concentration of troops in disturbed areas. If those in power had been less afraid of red revolution they might have been more ready to seek for the real causes of this bitter unrest in the miserable conditions of life which the working classes were being called upon to bear.

For one reason or another, therefore, we may say that all serious attempt to reconstruct English social life was delayed until after the passage of the great Reform Bill of 1832. It began in that year with the appointment of a Royal Commission to investigate

and report on the working of the Poor Law throughout the country. But before we can realise why it was that the reform of the Poor Law had become one of the most urgent of social problems, we must retrace our steps and see what had happened to it since the days of Elizabeth's great Poor Law Act of 1601.

During the century and a half which followed the Act of 1601, two important changes had come over the English Poor Law. In the first place, *The problem of the Poor Law.* there had been a general breakdown of that central control which had been such an important feature of Queen Elizabeth's paternal system. The overseers continued to collect and spend the poor rate, the J.P.'s continued to supervise the overseers, but gradually the Privy Council gave up the business of supervising the J.P.'s. The result was that, by the end of the seventeenth century the administration of the Poor Law had become very unequal. In some places the overseers and J.P.'s continued to do their work well enough, in others they did it very badly indeed. In some places they neglected important functions, such as the 'setting of the poor on work,' which the Act of 1601 had required them to perform; in others they devised new functions such as the maintenance of workhouses, which the Act of 1601 had never mentioned. Consequently, the administration of the Poor Law, like the rest of English Local Government, as described in Chapter VIII., had become a very haphazard affair.

With the help of old parish records we can visualise our unpaid amateur overseer walking round his parish

in the intervals of his regular work, doling out small sums of money at his own personal discretion, or by order of an indulgent J.P., and jotting down on a loose slip of paper such items as 'Gave to a Traviler,' 'Given to a man that had great loss by thunder and lightening,' 'Given to two seamen that was cast away,' 'Given to Sam Vickers's wife very big with child,' 'Given to four men who had lost their tongues,' 'Given to Widow Parrie to go to the doctor with her sore eyes, and for a horse to carry her,' or even 'Lost money.' It is clear from such entries, which we often find mixed up in the general parish accounts, that relief was administered on no recognised principles. It would vary widely from parish to parish, according to the benevolence and energy of the overseer and J.P.'s.

The second important modification of the Elizabethan Poor Law system was the coming of the workhouse. Now, the Act of 1601 makes no mention

of workhouses. It assumes that poor people will be relieved in their own homes by gifts of money or goods. During the closing years of the seventeenth century, however, a number of parishes began to adopt a new principle. They found it more economical to build or rent a house of their own, and that done, to relieve poor people in that house and nowhere else. It was economical, because these workhouses were, as a rule, such uncomfortable and dreary places that people were exceedingly reluctant to ask for relief in them. Indeed, such were the advantages of the system from the point of view of the ratepayer, that towards the end of the seventeenth century a number of parishes began to apply for private Acts of Parliament authorising them to

*The growth  
of a  
deterrent  
system,*

build workhouses, and finally, in 1722, a General Act <sup>1</sup> was passed allowing all parishes to build workhouses and requiring them, when once such workhouses were established, to refuse to give any relief outside them.

This new system of relief may be described as a 'deterrent' system, because it attempts to deter people from asking for relief by attaching some unpleasant condition (in this case life inside a workhouse) to that relief. And the Act of 1722 is known as the 'Workhouse Test Act,' because in those parishes which adopted it, the offer of the workhouse was used as a 'test' of whether a person were genuinely and hopelessly destitute. It was presumed, of course, that nobody who could possibly manage to support himself would consent to give up his personal freedom. To judge from contemporary accounts of the workhouses which sprang up in almost every parish after 1722, we may gather that the 'offer of the house' was a pretty severe test. The buildings were insanitary and overcrowded, often in a miserable state of disrepair, and no serious attempt was made to separate the different classes of people who lived in them. As a result, old and young, sane and insane, sick and able-bodied, lived jumbled up together in the same rooms, infecting one another with disease and immorality, and generally making life intolerable for one another. It is possible that some workhouses, given an easy-going overseer, were pleasant enough places for the few incorrigible idlers who were ready to put up with any amount of filth

<sup>1</sup> The Act of 1722 was an 'adoptive' or 'permissive' Act; that is to say, it was the kind of Act which confers *powers* and not *obligations* : which *allows* a local authority to do certain things, but does not *compel* it to do those things.

and demoralisation so long as they were relieved of the burden of earning a living. For the aged, the sick, and the children, however, they must have been indescribably terrible places. Indeed, any child who managed to survive eight years or so of epidemic and neglect inside a workhouse, had not much to fear as a parish apprentice outside it!

Such, briefly, was the state of the English Poor Law as it existed on the eve of the Industrial Revolution. To the country districts that Revolution brought, as we have seen, the eviction of squatters, the ruin of small-holders, the decline of domestic industries, and general unsettlement. It soon became clear that the old unsystematic Poor Law, with its mixture of haphazard indulgence and brutal severity, was not capable of dealing with the mass of poverty and unemployment which the Industrial Revolution brought in its train.

At last, in 1782, a new Poor Law Act was passed, because, to quote its preamble, 'notwithstanding the many laws now in being for the relief and employment of the poor, and the great sums of money raised for those purposes, their sufferings and distresses are nevertheless very grievous.' This Act is known as 'Gilbert's Act,' after the M.P. who introduced it, and like the Workhouse Test Act it was only a permissive Act; parishes might or might not carry out its provisions as they felt disposed.

But it is important for two reasons. In *and its abandonment,* the first place, it represents a reaction from 1782. the severity of the Workhouse Test Act.

Parishes which adopted it were required to reserve the workhouse for the aged, the sick, and the

children, relieving all able-bodied persons outside it. In the second place it suggests that people were becoming a little distrustful of the unpaid amateur, because it allows those parishes which adopt it to group themselves into Unions, and entrust the work hitherto done by the overseers to paid officials called 'guardians.' Thus Gilbert's Act once more offered parishes an opportunity of giving relief under conditions which should not be 'deterrent,' and in the years which followed things became so bad for the poor that many of them were only too glad to take advantage of it.

In 1793, on the top of all the economic evils of the Industrial Revolution came the war, and with it a steep rise in food prices. Early in 1795 there was a series of food riots in different parts of the country, and people began to discuss relief measures—partly in pity for the poor, and partly in fear of disturbance, for the explosion of the French Revolution was still humming in men's ears. At the April Quarter Sessions meeting of the Berkshire J.P.'s, special reference was made to the miserable state of the agricultural labourers. It was even suggested that it might be advisable to revive the old forgotten 'Fifth of Elizabeth,' and establish a compulsory living wage in accordance with its provisions. As a result of this suggestion, the Berkshire J.P.'s decided to meet again on

*The meeting  
at  
Speenham-  
land, 1795.*

May 6th at the Pelican Inn in the village of Speenhamland, in order to 'limit, direct, and appoint the wages of day labourers.' The meeting was held, but, unfortunately, no attempt was made to fix a legal wage. Apparently, at the last moment, the J.P.'s could not



bring themselves to do that, against the teaching of Adam Smith and against their own apparent interests as employers. But something had to be done, and so, after deciding what wages a labourer ought to receive according to the price of bread and the size of his family, they announced that in so far as he did not earn that sum, the difference should be made up to him by an allowance from the poor rate. In fact, they decided to give what is called a 'rate in aid of wages.'

This action of the Berkshire J.P.'s proved to be of momentous importance in the history of the Poor Law. Their policy soon became the policy of all England, and in memory of that meeting on May 6th, 1795, it is known to history as the 'Speenhamland System,' *and its consequences.* It was intended by its promoters as a temporary relief measure to tide the poor over the lean years of the seventeen-nineties. In practice, it lasted for forty years, and during that time its effect both upon employers and employed was wholly disastrous.

To the employer, pauper labour appeared the most desirable form of labour because there was no need to pay a living wage for it. The self-supporting wage-earner therefore found himself undercut by the man who was receiving a parish allowance. To the labourer, hard work or efficient work came to be regarded as an unnecessary evil because a benevolent parish would always give him what he failed to earn. Increasing numbers of labourers therefore threw up the struggle for existence and became dependent upon the very meagre allowances granted by the Poor Law authorities. Meanwhile, there was no hindrance to early marriages, because as a rule an increased family brought with it

an increased allowance. In fact, under the Speenhamland System, as it developed in various forms between 1795 and 1834, the only material difference between the pauper and the independent wage-earner was that the former obtained his income without working for it, and obtained in addition an income which increased automatically with the increase of his family.

Small wonder, then, that the reform of the Poor Law was an urgent social problem in 1832. The Royal Commission which was appointed in that year to investigate the matter worked hard for two years; and in 1834 its report was published. This report consisted of an absolute and unrelieved condemnation of the whole existing system. Everything was wrong. The overseers and the J.P.'s were incompetent. The workhouses were in a disgraceful condition, corrupt, wasteful, and cruel. Still more disgraceful was the system of relief outside the workhouse. Agricultural wages had declined, the morale of the worker had declined, the number of people dependent upon poor relief had increased, and villages were sinking under the burden of a soaring poor rate. And so long as the existing system of Poor Law remained, things were bound to get worse. It was, in fact, the opinion of the Poor Law Commissioners that the abuses which they described were 'on the whole, steadily and rapidly progressive.'

Therefore they recommended the complete reconstruction of the Poor Law, embodying their recommendations in a series of definite proposals from among which three notable principles stand out. The first is the old principle of *deterrence*, or, as it has been called,

*The Royal  
Commission  
of 1832-4*

*and its  
recom-  
mendations.*

'less eligibility.' Relief must be so given that the position of the relieved person shall be less pleasant, or 'less eligible,' than that of the poorest independent worker. This must be done by re-establishing the 'work-house test' for the relief of able-bodied persons. The second is the old principle of *centralisation*. No longer must each parish be allowed to go its own way. Only by strong central control is it possible to secure a general level of efficiency and a uniform system of relief on definite and recognised principles throughout the country. The third is a new principle—the principle of *expert administration*. No longer must the administration of poor relief be left in the hands of the unpaid amateur. Overseers and J.P.'s had proved their incompetence. They must make way for properly-qualified paid officials.

In the same year as the publication of this notable report, a Bill was introduced into Parliament for the purpose of carrying its recommendations into effect. It met with a certain amount of opposition from persons who had a rooted attachment to the ideal of a free self-governing parish, and who, therefore, disliked the idea of perpetual interference by government officials who might know very little about local conditions. However, the strong tide of public opinion was behind the Bill, and by the middle of 1834 it had become the Poor Law Amendment Act.

*The  
Poor Law  
Amendment  
Act, 1834.*

This Act did not actually enact clause by clause the various suggestions made by the Royal Commission. The complete reorganisation of the Poor Law was too complicated a business to be carried through in that way.

What the Act of 1834 did was to instruct the government to appoint three paid Poor Law Commissioners, invested with the legal power to remodel the Poor Law bit by bit, parish by parish, in accordance with the recommendations of the Royal Commission. As a matter of fact, the actual work of remodelling the Poor Law took thirteen years. By 1847, however, the three Commissioners had evolved some sort of order out of the chaos of 1834. They had put a stop to the relief of able-bodied persons outside the workhouse. They had enlarged the area of administration by grouping parishes together into 'unions,' and so making it possible for them to build large classified workhouses. They had secured a large measure of central control by means of inspection, supervision of accounts, and the issue of rules and regulations binding on all Poor Law Unions throughout the country. They had set up an elected Board of Guardians in each Union to administer relief under the supervision of the central authority; but though these elected Guardians were, like the J.P.'s, unpaid amateurs, the actual day-to-day work of relief was done, not by unpaid overseers, but by paid officials.

And all these things the three Poor Law Commissioners had done under an unceasing barrage of opposition and calumny. There was the opposition of the country gentlemen, who furiously resented any interference with their old powers. There was the opposition of the able-bodied poor, who hated having to go and live in the new workhouses. There was the opposition of all those humane persons who felt that it was cruel to deprive poor people of relief to which

they had grown accustomed. Finally, there was the opposition of that powerful paper, the *Times*, which spoke of the Commissioners as the 'Pinch-pauper Triumvirate.'

By 1847, however, their weary and thankless task was finished; the mass of orders and regulations which they had issued was summed up in a 'General Consolidated Order,' and the three Commissioners were abolished. Their place as central authority was taken by a Poor Law Board, which was not a 'board' at all in the sense of a committee, but simply a government department with a Minister of State at the head of it. This Board has collected other functions, as we shall see later, in the course of its subsequent history, and it has twice changed its name. In 1871 it became the Local Government Board, and in 1919 it became the Ministry of Health.

We must now turn to a second great measure of reconstruction which dates from this period: the creation of a public health service. The story of public health reform is closely bound up with the story of Poor Law reform for two reasons. In the first place, sickness is one of the principal causes of destitution, in the second place, both reforms were carried through largely by the genius of one man—Edwin Chadwick.

Edwin Chadwick was a disciple of that school of thought which regards 'the greatest happiness of the greatest number' as the test of all human activities. In so far as any law, tradition, or institution was likely to serve 'the greatest happiness of the greatest number' it was good—in so far as it failed to do this it was

*The genius  
of Edwin  
Chadwick.*

bad. To many readers this attitude of mind may seem no more than ordinary native common sense. 'The greatest happiness of the greatest number,' it may be said, is something that we are all striving for; we only disagree on the question of how it is to be achieved. Nevertheless, we must remember that in Chadwick's time, to an even greater degree than in our own time, the economic and social and political and religious life of England was riddled with privileges and traditions which certainly could not have stood the test of 'the greatest happiness of the greatest number.' They might be defended on the ground of sentimental affection, historical antiquity, Divine origin, or artistic merit, but when Edwin Chadwick and his friends came to discuss them in the clear light of 'the greatest happiness of the greatest number,' and to test them with the matter-of-fact question 'Are they useful?' 'What is their utility?' there was very little to be said for them. And naturally many people bitterly resented the application of this cold and logical criticism to such sacred institutions as the Church, the Crown, the unequal franchise, the economic privileges of the landlords, or the ancient powers of the J.P.'s. The name given to this particular school of thought is 'Utilitarianism'; and we may speak of Edwin Chadwick as a 'Utilitarian.'

Now Edwin Chadwick was one of the Royal Commissioners appointed in 1832 to inquire into the state of the Poor Law; and it is no exaggeration to say that the famous report issued in 1834 was very largely his work. It is a 'utilitarian,' and to some people, a rather inhuman document. Anyhow, his genius for

clear-sighted administration was very generally recognised, and when the three Poor Law Commissioners were appointed to carry out the recommendations of the report in 1834, Edwin Chadwick was appointed as their secretary. Here again it is no exaggeration to say that the reconstruction of the Poor Law between 1834 and 1847 was very largely his work. And if the three unfortunate Commissioners were hated for their ruthless efficiency, still more hated was their energetic and self-willed secretary, who always saw so very clearly what was for 'the greatest happiness of the greatest number.'

It was in the course of his work as secretary to the three Poor Law Commissioners that Chadwick became convinced of the futility of trying to deal with the problem of destitution without at the same time dealing with the problem of disease. As we have said, disease is one of the principal causes of destitution, and it is sheer waste of energy to evolve a perfect system for the relief of destitution so long as no attempt whatever is made to remove the conditions which cause destitution. Chadwick therefore set himself to prove to the country, by means of reports and statistics issued from the Poor Law Commissioners' office, that the condition of housing and sanitation among the working classes in the towns was a no less urgent problem than the condition of the Poor Law. His task was made easier by the fact that in 1831 the country suffered from a severe outbreak of cholera, which lingered on year after year, breaking out intermittently, in the overcrowded, ill-built, undrained working-class areas of the towns. As Havelock Ellis

*The problem  
of dirt and  
disease.*

says: 'Panic is the parent of sanitation'; certainly it made the public more susceptible to Chadwick's arguments concerning the urgent necessity for sanitary reforms.

As a result of the cholera and of the reports issued by the Poor Law Commissioners, the government was persuaded to take up the question of Public Health; and in 1839 a parliamentary committee was appointed to inquire into the 'Health of Towns.' Its report, published in 1840, confirmed all that the Poor Law Commissioners had said. The greater part of it consisted of personal evidence given by doctors from industrial areas; and much of their evidence is so horrible as to be literally unreadable.

*Official  
inquiries  
and their  
revelations.*

Taken as a whole, the report pointed to six poisonous evils. The first is the evil of cellar dwellings; these were often undrained and unpaved. In Liverpool 39,000 persons, that is one-fifth of the working classes, lived in 7800 cellars. In Manchester, 15,000 persons, or twelve per cent. of the working classes, lived in cellars.

The second is the evil of closed courts. These would date from the first rush of factory workers to the towns, when strips of back garden were turned into courts—sometimes no more than six feet across from house to house—whose only entrance would be through the narrow passage of the original cottage whose garden had been built over. Sometimes the only drainage of a whole court was an open gutter down the middle, into which the housewives would throw all their refuse, and which would sometimes, in wet weather, overflow and run back into the houses.



The third is the evil of back-to-back houses built in on three sides and therefore enjoying no through ventilation whatever.

The fourth is the evil of open sewers or ditches, the cheapest method of drainage in working-class areas, flowing along between the backs of houses and poisoning the people who lived in them. This was a special characteristic of the ring of slums which nestled round the City of London.

The fifth is the evil of town burial-grounds, where there was not room to bury people very deeply, and where, therefore, the opening of an old grave for a new occupant would add considerably to the poison of the air.

The sixth is the evil of overcrowding—overcrowding in the cellars, in the courts, in the back-to-back houses, in the old middle-class mansions let out in tenements, and, of course, as a result of all the other evils, overcrowding in the burial grounds.

And yet, in spite of the revelations written down in black and white by the Select Committee on the Health of Towns, in spite of the reports and statistics issued by the Poor Law Commissioners, in spite of what ordinary people could see and hear and smell as they walked about the streets, nothing was done. Perhaps government and public were too profoundly absorbed in the free trade controversy which raged until 1846. Perhaps the country was more afraid of central control and paid officials than it was of dirt and disease. However that may be, the fact remains that until 1848 nothing was done, beyond the appointment of a Royal Commission, whose report, published in 1845, told people over again what was already perfectly well known to them.

At last, in 1848, our first Public Health Act was passed. First and foremost it realised Chadwick's ideal of a strong central control. A General Board of Health was to be established with power to create elected Local Boards of Health in any district where the death rate was above a certain figure. It might, in addition, create a Local Board of Health in any district whose ratepayers petitioned for one. If such a district happened to be a borough, however, no new Board was created, the existing Town Council became the Local Health authority. To these new authorities, whether Local Boards of Health or Town Councils acting as health authorities, were given a mass of new duties. They were to be responsible among other things for sewerage, water supplies, street cleaning, and burial grounds. To meet the cost of these responsibilities they might levy a district rate on the model of the poor rate. Meanwhile Chadwick, who was, of course, the parent of the Act, was appointed as a member of the new General Board of Health, 'in the hope,' as one of his old colleagues put it, 'that he would now keep quiet.'

Needless to say he did not keep quiet. It was not likely that he would keep quiet where sanitation, health, and cleanliness were concerned. Under the force of his driving energy the new Board pursued a vigorous policy. It instructed the public how to fight the cholera, how to clean their streets, how to construct their drains, how to bury their dead. It bullied local ratepayers into petitioning for Local Board of Health, it bullied the Local Boards of Health into doing their work properly when they were created. And the

harder it worked, the more bitterly people hated it. They hated it so much that in 1854 Chadwick was pensioned off and his General Board of Health reorganised under a new name. As somebody or other has said, 'they paid him a thousand a year to leave, dirt and disease alone.'

*The pensioning of Chadwick.*

In his own time, as we have seen, Edwin Chadwick was little loved; to-day he is forgotten. And yet, when we consider his work as a whole, we may say that few men have done as much for their country or left so permanent a mark on its everyday life as Edwin Chadwick. People have accused him of having no heart; but if this is so, whence came his titanic and irrepressible energy for the public good? It is no doubt possible to explain it all as a fanatical passion for public order and scientific administration as ends in themselves.

With the retirement of Chadwick in 1854, the construction of a national public health service received a slight check; nevertheless its foundations had been well laid, and from that day to this it has continued to develop. In 1871 the Local Government Board was created to act as the central department both for Poor Law and public health administration. In 1872 the provisions of the Public Health Act of 1848, regarding the creation of Local Boards of Health, were made compulsory. The whole country, with the exception of the Boroughs, was carved up into Urban and Rural Sanitary Districts, as the case might be, and in each was established an elected Urban or Rural Sanitary District Council. Finally, by the Local

*Later developments in public health.*

Government Act of 1894, these were renamed Urban and Rural District Councils—and this gives us, in its main outlines, the public health machinery of to-day.

We are now in a position to take stock of some of the big changes that were coming over the local government of England during the period of reconstruction which followed the Industrial Revolution. As we have seen in an earlier chapter, the local government system with which this country entered upon that period, was, in effect, the system built up by Queen Elizabeth minus the vigorous supervision of the Privy Council. It was a system which might, with goodwill, work well enough in a country village where the J.P. knew and loved his fellow parishioners, and where there was very little administrative work that an unpaid parish officer could not perform—though even in the country, as we have seen, the parish administration of the roads had broken down hopelessly by the beginning of the eighteenth century.

But clearly the whole system was unsuited to the new conditions which the Industrial Revolution brought into being. Country villages were changed into populous urban centres, police were needed, drains were needed, water supplies were needed, street lighting, cleaning, paving, and a thousand other services were needed. And the J.P.'s, the parish officers, the remnants of the manorial courts, the corrupt self-appointed 'city fathers' of the municipal boroughs, were incapable of meeting those needs. The government was, in fact, trying to run the England of Charles Dickens with administrative machinery

*A bird's-eye  
view of  
English  
Local  
Government.*

devised for the England of William Shakespeare—and, as we have already seen, it was failing hopelessly in its task. The results of its failure were bad housing, bad sanitation, bad roads, bad poor relief, suffering, discontent, corruption, and general lawlessness.

With our period of reconstruction therefore we get the creation of a whole host of new authorities modelled on new principles. Two of them, we have already considered. We have seen how the administration of poor relief was removed from the hands of the J.P.'s and the parish overseers, and put into the hands of elected Boards of Guardians. We have seen also how the administration of the new public health service was put into the hands of elected Local Boards of Health. These two reforms give us the key to the general development of English local government throughout the nineteenth century. Slowly but surely the J.P.'s and the parish officers faded into the background. Slowly but surely their place was taken by democratically elected bodies acting through paid officials and under the supervision of government departments. Finally, in our own day, the J.P. has once more become what he was at the end of the Middle Ages, before the Tudors fastened the burden of local government on to his back—a judge of petty offences. The parish, too, except in rural districts, has once more become what it was during the Middle Ages—an ecclesiastical unit responsible for the Church and for nothing else.

*The new  
democracy  
and the  
new  
officialdom.*

But, unfortunately, the nineteenth-century local

government reformers worked in an exceedingly unmethodical way. In the first place, whenever a new function had to be administered they created a new body to administer it, a new rate to pay for it, and a new area for its unit of administration, without any regard to existing bodies, rates, or areas, and with the result that as years went on our system of local government became more and more hideously complicated. So complicated did it become that Chalmers describes it in 1883 as 'a chaos of areas, a chaos of authorities, and a chaos of rates.' Since that date some attempt has been made by Parliament to simplify matters by fitting the various local government areas, such as the parish, the district, and the county, more neatly into one another, also by concentrating a number of different functions in the hands of a single body. But the system still remains painfully complicated, as any reader who tries to study it will find to his cost.

In the second place, matters have been further complicated by the fact that our legislators have shown a curious reluctance to scrap old machinery. At no point in history have they cleared away the old structure before establishing the new. Taken as a whole, our present local government system may be compared to an old house which has been improved, extended, altered, practically rebuilt, but never completely pulled down, and which is consequently wonderfully picturesque, though at the same time a little inconvenient. So in our local government system of to-day we meet curious relics of past systems. The *overseer* of the poor, shorn of nearly all his old duties, still assesses our rates. In the City of London the old

*gilds*, with their unbroken descent from the Middle Ages, still elect the Sheriff and nominate the Lord Mayor. And if a modern copyhold tenant wishes to change his tenure he must still appear before his *manorial court*.

We have compared our local government to an old house; we can also compare it to the City of London. In the City of London we build our tall, twentieth-century offices on a street system planned by the early Saxons; and if you dig deep enough under a concrete floor you may strike upon a tessellated Roman pavement.

## CHAPTER XIII

### THE RISE OF THE TRADE UNIONS

I heard a voice across the gray  
Such as might be a comrade's voice,  
Elect of elemental choice  
To give me greeting on my way—  
Appointed through the dusk to send  
The apt inflections of a friend  
With fond familiar things to say—

I think your path is mine, it said,  
But whither, neither of us knows,  
Only the mist about us flows,  
Only the drifting dark is shed.  
If I came nigh to touch your hand  
We both should better understand,  
Perhaps, the wherefore of our tread.

GERALD GOULD.

THE Industrial Revolution, with its intense development of capitalist industry brought to the working man new *needs* and new *opportunities*. His increased dependence upon the man who owned the instruments of production brought a new need for joint action. His factory labour and his crowded town life brought a new opportunity for joint action. And in 1799 the Combination Act made such joint action a criminal offence. So much we have seen in Chapter X., where we discussed some of the big changes in everyday life which resulted from the new methods of

*The new  
capitalism*



production. We saw, further, that this need for joint action arose from certain natural disadvantages under which the individual wage-earner stands when he makes his wage bargain with an employer. He is bargaining with a richer man, with a better educated man, and with a man who is in a position to play off one wage-earner against another, taking advantage of the weakness or distress of some to undercut the wages of others.

It was with an instinctive knowledge of these broad facts that the wage-earners of this country began, towards the middle of the eighteenth century, to take joint action. They organised trade societies or combinations, they attempted to *bargain collectively* as one man, putting forward demands for better wages or shorter hours, and in many cases they went on strike in support of such demands. But one of the principal things which they demanded was the enforcement of the old labour *and the old labour laws.* laws—in particular the ‘Fifth of Elizabeth’—which still remained unrepealed, though half forgotten, on the Statute Book. Thus we often find the workers taking a conservative attitude and attempting to enforce the law against employers who wanted to break it. We find them asking for that legal wage which the ‘Fifth of Elizabeth’ required the J.P.’s to fix ‘according to the plenty or the scarcity of the time,’ and we find them objecting to the employment of unskilled persons who had not served the seven years’ apprenticeship required by that same statute.

Now, to the parliament of the time, these laws appeared, as we have already seen, hopelessly out-of-date, and in direct contradiction to the teaching of

political economy. It was very generally believed that such regulations would, if enforced, simply clog the wheels of industrial progress and so finally recoil upon the heads of those very wage-earners who were clamouring for their enforcement. Let us add to these considerations the fact that our eighteenth-century parliament was an unreformed body representing rich men, incapable of seeing any point of view but the employers', also the fact that after the French terror of 1792, there was a feeling abroad that wherever two or three working men were gathered together there was revolution in their midst, and we get some idea of the body of public opinion which, in 1799 carried the Combination Act triumphantly into law.

To the wage-earner, the Act meant that in future there could be no free and equal wage bargain. There could be nothing but the desperate and overweighted bargain which a weak man makes with a strong one. Finally, in 1813, the wage clauses of the 'Fifth of Elizabeth' were repealed because the workers showed an inconvenient persistence in demanding their enforcement, and in the following year its apprenticeship clauses, for the same reason, shared a like fate. We may say, therefore, that in 1814 the legal position of the wage-earner touched bottom. The law ceased to protect his standard of life, and it denied him the right to protect himself in the only way open to him.

It must not be supposed, however, that after the passage of the Combination Act in 1799, the wage-earners obediently gave up all attempts to organise for their own protection. In many cases, they continued to organise, but they organised for the most

part in secret. They held midnight meetings in lonely places; they buried their records; they administered oaths of secrecy to their members with curious mystical rites; and the absence of an efficient police system made the existence of this precarious underground trade unionism comparatively easy

Meanwhile, in some cases combinations of workmen existed quite openly. We find examples of employers who actually recognised them and carried on negotiations with them. Yet even where this happened, the position of the workers was a dangerous one, for if ever an employer felt inconvenienced by a combination he would always prosecute its members for a breach of the Combination Act, and wherever such prosecutions took place the wage-earner was pretty sure to receive the maximum penalty, and no grain of sympathy from law court, press, or public.

Such, briefly, was the position of the wage-earners when, during the early years of the nineteenth century, a deliverer arose from amongst them.

His name was Francis Place, and he kept a tailor's shop at Charing Cross. In those days Charing Cross was a less fashionable spot than it is to-day. It was the outpost of one of the largest and most degraded of the London slum areas—the area which included Seven Dials, Drury Lane, and Clare Market. To readers of Charles Dickens this area will be familiar as the home of the 'Old Curiosity Shop.' To-day its nastiest recesses have been cleared out to make room for the stately thoroughfares of Aldwych and Kingsway. But in the days of its blackest filth and depravity it was the birthplace and playground of Francis Place;

*The tailor  
of Charing  
Cross.*

eventually he survived to settle on the outer edge of it with a fairly respectable tailoring business at Charing Cross.

But by force of will, and against all the odds that London slum life could put in his way, Place had managed to do something more than build up a respectable business. He had managed to make himself a scholar, a philosopher, and a remarkably shrewd politician. He had managed to accumulate in his back parlour a good library of books and a wide circle of influential friends from more fortunate spheres of life. These men, some of whom were Members of Parliament, came to regard it as something of a privilege to visit the little shop at Charing Cross and talk politics, economics, or philosophy with the wonderful tailor. And from him they learned something of the bitterness of working-class life under the Combination Acts; for Place had made up his mind, by hook or by crook to get these obnoxious Acts repealed. His task was not an easy one, because in those days of aristocratic government there was no room in political life for a working man. It was unthinkable, for instance, that a working man should sit on a Royal Commission—still more unthinkable that he should sit in Parliament.

Apart from this class disability, however, Place was in a position of vantage for a working men's leader. On the one hand he was in close personal touch with Seven Dials, with the struggles and miseries of its wage-earning population, and with the trade union movement such as it was. On the other hand he was in close personal touch with Westminster, and with an influential group of radical politicians and writers.

Thus he was able to plead the cause of his fellow-workers with men who were in a position to help them, and to make his shop the centre of a political agitation for the repeal of the Combination Acts. In his little back parlour committees were held, petitions drawn up, evidence prepared, speeches drafted.

Finally, in 1824, his efforts were successful, and his Parliamentary friends succeeded in getting a bill passed for the repeal of the Combination Acts. Unfortunately, the wage-earners on whose behalf Place had laboured were so intoxicated by their new freedom that they celebrated it by a furious outburst of strikes. The result was that in the following year a new Act was passed limiting their freedom and submitting the trade unions to a number of vague and awkward prohibitions against 'intimidation,' 'molestation,' and 'obstruction.' However, the great principle had been won. The Act of 1824 allowed the worker to organise for his own protection, although the Act of 1825 required him to be very careful how he did it. The law courts, the press, and the public remained, as before, hostile to the idea of trade unionism; but against their hostility the worker had captured his first position. He could no longer be prosecuted merely for belonging to a trade union.

During the years which followed the repeal of the Combination Acts, we get the birth of a new kind of combination. The old combinations had been concerned with a single industry or branch of an industry; the new, attempted to unite the workers of all industries

*The repeal  
of the  
Combination  
Laws, 1824.*

*The rise of  
the Trades  
Unions.*

in one vast organisation. In accordance with this attempt, we find a new word coming into the English vocabulary—*trades union*—a union of different trades, which may be contrasted with the modern word *trade union*, a union of one trade. But there was something more than a difference of organisation between the old combinations and the new. The ultimate aim was different. The trades union movement was frankly revolutionary. Where the old combinations stood for the improvement of the workers' conditions under the existing capitalist system, for the enforcement of this or that old statute, for the improvement of a particular bargain in respect of wages or hours, trades unionism stood for nothing less than the complete overthrow of the capitalist system.

Its leaders, prominent among whom was Robert Owen, looked forward to a day when the instruments of production, the cotton factories, the mines, the builders' yards, or whatever form those instruments might take, should be owned and managed by the workers themselves. Under such a system the workers would be no longer wage-earners, but partners in industry. And the weapon wherewith this blessed state was to be achieved, was the *general strike*. There was to be no violent revolution, no bloodshed, no destruction of property, simply a sudden and complete stoppage of work throughout the country; as a result of which the government would fall into confusion, capitalists would surrender, and the organised workers would take possession of the instruments of production and the control of industry. Trades unionism was, in fact, practically identical, both in its methods and in

its ultimate aim, with the movement which in our own day has been called *syndicalism*.

Needless to say it met with the fiercest opposition from the governing classes. To begin with, however, it made astounding progress in the teeth of such opposition. The trades union idea caught the imagination of the workers, and a succession of immense organisations came into being. There was the National Association for the Protection of Labour, founded in 1830, which counted over 100,000 members from various industries, and which ran its own weekly paper, *The Voice of the People*. It collapsed a few years later, but it succeeded in terrifying the government, and its place was taken by a new organisation on a still vaster scale, the Grand National Consolidated Trades Union, founded in 1834. But only a few weeks after its birth the Grand National Consolidated Trades Union found itself worsted in a conflict with the law. Its members could, as we have seen, no longer be prosecuted simply on the ground that they had combined for their own protection. The authorities, however, had discovered a new loophole for attack, an old law against the administration of oaths; and the brunt of this attack fell upon six unfortunate Dorset labourers who, in 1834, had organised a branch of the Grand National in their village for the purpose of securing an agricultural wage of 10s. per week. These men had committed no act of violence, they had not even arrived at a strike. They were prosecuted simply because they had indulged in a fantastic initiation rite, involving an oath of allegiance before a figure of Death

*The  
persecution  
of the  
Dorset  
labourers,  
1834,*

executed by the village painter. And for this they received the vindictive sentence of seven years' transportation to the convict settlements of Australia. The authorities were determined to make an example of somebody and the choice fell upon six poor men of Dorset, who had objected to a wage of 7s. per week.

The Grand National rallied to their defence; petitions were organised, and a monster demonstration of trades unionists was held in London on their behalf. But it was of no avail; the Home Secretary considered that the law had been 'most properly applied,' and by the end of the year the Grand National itself had fallen to pieces. For all its vast membership it had been a hollow organisation. Its finances were unsound, its leaders were at loggerheads, and its various branches were so busily engaged in separate strikes of their own that there was little opportunity for the organisation of a general strike. By the end of the thirties trades unionism had ceased to trouble the governing classes, and capitalism was more firmly established than ever.

After the collapse of the revolutionary trades union movement there was something of a lull in the industrial activities of the workers. As a matter of fact much of their energy was absorbed in political agitation. But towards the end of the forties we begin to get new and vitally important developments. The workers were organising, as they had organised at the beginning of the century, in separate bodies covering single industries or branches of industry—and they were limiting their aims. That is to say, they were standing out for better

*and the  
collapse of  
trades  
unionism.*

*The 'new  
unionism.'*



conditions of work under the existing capitalist system of industry; they no longer aimed at overthrowing that capitalist system and taking possession of the instruments of production. Incidentally, they no longer painted figures of Death or administered secret oaths. But the outstanding feature of these new organisations was the strength and elaboration of their internal government.

The most important organisation of this new type was the Amalgamated Society of Engineers, established in 1851, to include the higher grade workers in the engineering industry throughout the country. The new society was characterised by strong central control. No branch could strike on its own account without the consent of the central executive committee. Its officials were, many of them, whole-time paid experts. Its subscription was high, but in return for their subscriptions, members received all kinds of friendly benefits, such as sickness or unemployment benefit. This tended to make them reluctant to embark on any unnecessary strike, since strikes weakened the financial position upon which these benefits depended.

The methods and constitution of the A.S.E. soon came to serve as a model for workers in other industries. To quote Mr and Mrs Sidney Webb's *History of Trade Unionism*: 'Scarcely a trade exists which did not, between 1852 and 1875 either attempt to imitate the whole constitution of the Amalgamated Engineers or incorporate one or other of its characteristic features.' In this way was founded the *trade union* movement, which has continued in an unbroken development down to our own day. Two characteristics of this new

*Birth of  
the A.S.E.,  
1851.*

unionism must be noted. In the first place it was almost entirely a movement of skilled men. Women, agricultural labourers, men from the lowest grades of the big industries, had practically no place in it; and in this it shows a striking contrast to the old trades unionism. In the second place there grew out of it a sort of 'Cabinet of the Trade Union Movement'; a group of professional trade union officials with their headquarters in London, who were closely in touch with one another, and could therefore act as a kind of parliamentary committee—keep the local branches in touch with political development and put the workers' point of view before parliament wherever possible.

The period which followed the collapse of revolutionary trade unionism is also characterised by the growth of another working-class movement, as important as the powerful and cautious trade union movement typified by the Amalgamated Society of Engineers. This was the growth of co-operative buying, or *industrial co-operation*. For many years social reformers and working-class leaders had been feeling after some method by which the workers might obtain the necessities of life by co-operative action, and so avoid paying prices which put a large percentage of profit into the pocket of the shopkeeper.

But not until 1844 was any measure of practical success achieved. In that year a little group of flannel weavers in Rochdale adopted the famous device of a 'dividend on purchases.' They raised among themselves a capital sum of £28, and with it they purchased a stock of goods—things which they

*The  
Rochdale  
Pioneers,  
1844.*

and their families happened to need. These they sold among themselves at the ordinary retail prices charged by the shops. Such sales would, of course, leave the co-operators with a margin of profits: the difference between the wholesale prices which they had paid, plus cost of carriage, etc., and the retail prices which they had charged one another. This surplus they divided among themselves in proportion to the relative amounts which each had spent in purchasing goods. Thus, if one member of the group had purchased goods to the value of one-eighth of the total stock, he would receive as 'dividend' one-eighth of the accumulated profits. In this way purchasers would have returned to them that part of the retail price of their goods which would otherwise have gone into the pocket of the shopkeeper. The 'Rochdale Pioneers,' as they came to be called, opened a small shop for the conduct of their business, and an elected committee was made responsible for its management, for keeping it stocked with goods, and for dividing the profits periodically among the members who had made purchases.

The example of the Rochdale flannel weavers was soon followed by groups of workers throughout the country. Wherever there was any considerable industrial population, a co-operative store appeared. Everywhere the workers began to realise that they could obtain their goods better and cheaper by co-operative purchasing. To-day there is hardly a town of any importance which does not contain its co-operative society with one or more co-operative shops. In 1914 there were no less than 1390 such societies in the United Kingdom, with a total membership of 3,054,297

persons. To-day their membership exceeds three and a half million. And as the great majority of these members make purchases for a whole family, we may assume that more than double that number of people are consuming goods provided by a co-operative store.

The activities of the co-operative movement were not, however, confined simply to buying wholesale and selling retail. So brilliantly successful were the early ventures that in 1864 a new step was taken. Having learned how to do without the retail shopkeeper, co-operators determined to do without the manufacturer and wholesale merchant also. Accordingly, in

*Birth of  
the C.W.S.,  
1864.* 1864 we find a number of co-operative societies themselves co-operating to form a new society whose business it should be to set up factories and actually produce the goods sold in the co-operative shops. This organisation is called the 'Co-operative Wholesale Society.' To-day it owns factories all over the country, and the vastness of its activities may be grasped by any observer who notices the extraordinary variety of goods bearing the letters 'C.W.S.' which may be seen in any co-operative store. They include food, clothing, furniture, drugs, tobacco, practically all articles of everyday consumption, with the exception of alcoholic drinks. In addition the C.W.S. engages in foreign trade with the help of its own ships, and carries on a considerable banking and insurance business for co-operative societies and their members.

Finally, in addition to its wholesale and retail operations, there is a third branch of co-operative

activity which must not be overlooked. The co-operative movement has a social and educational side. Co-operative societies have their concerts, their lectures, their picnics, and, as a rule, their Women's Guilds. Meanwhile, the Co-operative Union, the central federation of co-operative societies through the country, has its Education Committee which is responsible for maintaining properly qualified lecturers, and for organising classes and summer schools among co-operators.

*The social aspect of co-operation.*

In view of the two developments which we have briefly outlined, the growth of a highly organised and financially sound trade unionism among skilled workers, and the rise of industrial co-operation, it may be said that the period 1840 to 1865 was a very significant one in the history of the labour movement. The workers were organising successfully both as producers of wealth and as consumers of wealth. As producers they were organising in trade unions, as consumers, in co-operative societies. And all this organisation brought to them new sources of economic power and new sources of economic independence. Incidentally, it brought to them much valuable experience in the management of practical business and in the difficult art of working together.

We must now return to the story of trade unionism; leaving the co-operative movement to pursue its quiet and uninterrupted course of steady expansion through the remainder of the nineteenth century and what we know of the twentieth. Trade unionism was, after all, the fighting force. It was trade unionism which continued to arouse the hostility and distrust of the governing classes, and it was trade unionism which

was about to enter upon a new period of storm and stress.

Towards the end of the sixties the trade union movement as a whole suffered two bad blows. From about 1865 onwards we begin to hear of

*A period of storm and stress.*

outrages—especially in the Sheffield area. We hear, for instance, of interference by unionists with the tools of non-unionists, and of various other acts of intimidation or violence towards ‘blackleg’ workers. For these occurrences, which undoubtedly did take place, a number of small local unions were responsible. Violence and intimidation had no part in the policy of the trade union movement as a whole. In fact, both were emphatically denounced by the responsible leaders of the larger unions. But the outrages were widely advertised by the press and a wave of hostile public opinion was the result. Finally, in 1866, an explosion

*The Sheffield outrage, 1866.*

of gunpowder in the house of a Sheffield ‘blackleg’ worker brought matters to a head, and in the following year a Royal Commission was appointed by the government to inquire into the organisation and rules of trade unions.

In the same year as the appointment of this Commission, trade unionism received its second blow

in the shape of a very startling legal decision which made it clear that trade

*A legal blow, 1867.*

unions could not claim the protection of the law for their funds. This meant that if any dishonest official chose to steal or misapply the funds entrusted to him, the trade union to which those funds belonged could not prosecute him. Clearly this

decision put the trade unions in a position of great financial insecurity. We may say, therefore, that in the year 1867, the general trade union outlook was a dark one. If the future was to be made secure, the trade unions had in the first place to disarm the hostility of the public by making a favourable impression on the Royal Commission; they had, in the second place, to secure such a change in the law as would give them a recognised legal position.

Both these things they succeeded in doing, and their success was largely due to two factors. The first factor was the remarkable skill and energy of the trade union leaders. With the help of a number of devoted parliamentary friends, these leaders succeeded in overwhelming the Royal Commission with evidence of the stable and law-abiding character of trade unionism as a whole. As a result, it produced a surprisingly favourable report.

The second factor was the parliamentary vote, which by the Franchise Act of 1867 had been extended to the great mass of town working men whom the Reform Act of 1832 had left unenfranchised. This meant that from henceforward governments paid greater respect to working-class opinion.

The combined result of these factors was that in 1871 and 1875 two Acts of Parliament were passed relating to trade unions. These Acts, taken together, form the legal basis on which trade unionism rests to-day. The first gave to the trade unions a definite legal existence, carrying with it that protection of funds which the decision of 1867 had denied them. The second established, for the first time,

*The Trade  
Union Acts  
of 1871  
and 1875.*

the important principle that no act should be regarded as a criminal offence simply on the ground that it was committed by a trade unionist in connection with a trade dispute, unless, of course, that same act were a criminal offence if committed by an ordinary individual. In the words of a contemporary trade union leader, the act of 1875 meant that the trade unions were 'liberated from the last vestige of the criminal laws specially appertaining to labour.'

On the solid foundations laid between 1840 and 1875 the trade union movement has continued to flourish and expand down to our own day. It has grown in economic power; it has grown in political power; and finally it has got back something of the revolutionary character of the old trades unions of the eighteen-thirties. These three developments are closely bound up together; for convenience' sake, however, let us consider them separately.

We may get some notion of the economic progress of the trade union movement since 1875 by considering the increase in its membership. Unfortunately, we have no means of finding out exactly how many trade unionists there were in 1875. But from such records as we have, we may guess that in 1875 the total membership was somewhere about 900,000, and considerably less than a million. At the present time (January, 1920), it is well over six and a half million. But these bare figures of trade union expansion cover an exceedingly important development—the coming of the unskilled workers into the movement.

The great societies which had weathered the storms



of 1867 were, as we have seen, for the most part societies of skilled men. In 1875 trade unionism was still largely confined to the 'aristocracy of labour.' Huge masses of unskilled men, and practically all women wage-earners, were still outside its ranks, unorganised—fighting the old losing battle with powerful employers. The high subscriptions which had made the A.S.E. such a powerful force in the world of industry were beyond the narrow means of unskilled workers, and their strikes were always liable to be broken by the fact that it was easy for the employer to find other men or other women capable of doing their work at short notice.

*and the  
awakening  
of the  
unskilled  
worker.*

Nevertheless, towards the end of the eighties we begin to see signs that the unskilled workers were organising for the defence of their standard of life. In 1888, 672 London match girls came out on strike against lamentably bad conditions of employment. They had no money and no organisation, but they won their point because the force of public opinion was behind them, and because sympathisers all over the country supplied them with funds. A successful strike among workers of this class was a new and very surprising departure.

In the following year the London gas stokers followed the example of the match girls, and, again to the surprise of the public, succeeded in winning their point, in this case an eight-hours' day. And in the same year the whole Port of London was held up for over a month by a tremendous strike of dock labourers. Here again, public opinion was behind the strikers, and almost all their demands were eventually conceded.

From 1889 onwards the organisation of the unskilled workers made steady progress; and the skilled men came to realise more and more that such progress was necessary for the safety of all. For the existence of unorganised unskilled men and women, ready to come into a job and do inferior work for an inferior wage is a constant menace to the position of the skilled and semi-skilled man. Partly for this reason, therefore, and partly from a genuinely unselfish desire to give a lift to the 'bottom dog,' there has been a tendency in our own time towards the organisation of huge 'industrial unions,' that is to say, unions covering not a single grade in a large industry, like our old friend the A.S.E., but all grades throughout the industry. Of such a type is the National Union of Railwaymen, which includes within its ranks skilled and unskilled, men and women, from the engine-driver to the carriage cleaner.

The increasing political power of trade unionism, the second of our three developments, has its roots in the *The Franchise Act of 1867* Franchise Act of 1867, which extended the parliamentary vote to the great mass of town working men. Being possessed of this new power, trade unionists soon came to believe that the best way of using it would be to secure the election of men from their own ranks to the parliament whose decisions affected them so vitally. Accordingly, at the general election of 1874, a number of unions voted money for the support of trade union candidates, with the result that two of the miners' leaders, Mr Macdonald and Mr Burt, became the first Labour members in the House of Commons. Their first appearance created

considerable sensation, and there seems to have been much speculation as to how they would behave. From 1874 onwards, however, the House of Commons has had increasing opportunity of getting accustomed to the presence of trade unionists on its benches. This new development meant, of course, that the unions no longer had to rely solely on the good offices of middle-class friends when they wished to put their point of view before parliament.

*and the growth of the Parliamentary Labour Party.*

Consideration of the increasing political power of trade unionism leads us to consideration of the third important development since 1875: the return of something like the revolutionary spirit of the thirties. The wealthy trade unions which rose to power between 1840

*The return of a revolutionary spirit.*

and 1875 had, as we have seen, very limited aims. Their leaders were ready to accept the capitalist system of industry, that is, the system under which one set of men own and control the instruments of production, employing another set of men, for wages, to work on them. They wished merely, by the organisation of trade unions, to secure the best possible bargain for the wage-earners with the least possible friction between employers and employed. Therefore, it is not surprising to find that the first trade union representatives elected to parliament called themselves Liberals, and sat with the Liberal Party. They did not call themselves Socialists and they did not attack employers in general, except when they believed that these were treating their wage-earners unfairly.

But during the eighties there arose in England a

big wave of Socialist thought, as a result of which a number of Socialist societies sprang into being. It was, of course, largely influenced by the writings of the German Socialist, Karl Marx, who lived in England from 1849 until his death in 1883, and who published, in 1867, his great book *Capital*. This book may, without exaggeration, be described as one of the most widely read and influential works of the nineteenth century. It is an attempt to prove historically that the modern capitalist system is based on the exploitation of the working classes; that the capitalist has, in fact, attained his present position by robbing the working man of some part of the produce of his labour.

Of the various Socialist societies formed in this country during the eighties and nineties, the following were the most important: the Social Democratic Federation, founded in 1883, under the leadership of Hyndman, a disciple of Marx; the Fabian Society, founded in 1884, under the leadership of Bernard Shaw and Sidney Webb; the Independent Labour Party, founded in 1893, under the leadership of Keir Hardie.

Now by Socialism we mean generally the attempt to replace the capitalist system by some kind of communal ownership and control of the instruments of production. The Socialists of the thirties, as we have seen, looked forward to the ownership and control of those instruments by the workers themselves, organised in their trades unions. The three societies mentioned above looked forward to their ownership and control by the state, as representing the whole community. We can see, therefore, that there are very fundamental

*The  
meaning of  
Socialism.*

differences of aim among Socialists, who may agree only in their desire to overthrow the existing system.

And in addition there are equally fundamental differences of method. The trades unionists of the thirties believed that their end could be achieved by a general strike in all industries. They did not, for instance, believe that it could be achieved by the action of parliament; and they had some excuse for their view at a time when the great mass of workers had no votes. Meanwhile, at all times and in all countries there have been Socialists who have believed that their end could only be attained by open revolution, violence, and bloodshed. Finally, there are many Socialists who believe that a new industrial order may be achieved, either gradually or suddenly, by constitutional means: that is to say, by the election of Socialists to parliament, and by the introduction of Socialist laws.

Bearing in mind the various aims and methods which may be covered by the word 'Socialism,' we may say that from somewhere about 1880 onwards the trade union movement has tended to become definitely Socialist. And the form of Socialism which has until recently received most support from trade unionists is that form which involves the ownership of the instruments of production by the state, as representing and acting in the interests of the whole community. We find trade unions and trade union congresses demanding the 'nationalisation of industry.' At the present time (January, 1920) the two largest trade unions in the country, the Miners' Federation of Great Britain and the National Union of Railwaymen, are agitating vigorously in parliament and outside it for the

'nationalisation' of their respective industries. They are, in fact, engaged in a double task. They are attempting to make the conditions of labour as tolerable as possible under the present capitalist system, and at the same time they are attempting to overthrow that system in order to replace it by one which they regard as more likely to secure 'the greatest happiness of the greatest number.'

Meanwhile, the Labour members no longer sit under the wing of another political party. They sit by themselves; and they form a party of their own, which differs from all other parties in the House of Commons because it has a definitely Socialist programme.

## CHAPTER XIV

### THE WORKSHOP AND THE WORLD

'Oh, where are you going to, all you Big Steamers,  
With England's own coal up and down the salt seas?'  
'We are going to fetch you your bread and your butter,  
Your beef, pork, and mutton, eggs, apples, and cheese.'

'And where will you fetch it from, all you Big Steamers,  
And where shall I write you when you are away?'  
'We fetch it from Melbourne, Quebec, and Vancouver,  
Address us at Hobart, Hong-Kong, and Bombay.'

'For the bread that you eat and the biscuits you nibble,  
The sweets that you suck, and the joints that you carve.  
They are brought to you daily by all us Big Steamers,  
And if any one hinders our coming you'll starve.'

KIPLING.

IN our first introductory chapter we discussed some outstanding features of the Great Society as we know it to-day. We saw that one *International division of labour* of those features is specialisation, or the division of labour; and we saw that such specialisation depends upon the existence of facilities for communication and exchange.

In the course of subsequent chapters we saw something of the way in which the intense specialisation of our own time came to develop in its early stages: how, to begin with, there arose a class of craftsmen specialists who devoted themselves to the production and sale of one kind of commodity; how gradually within this

craftsman class there arose a division of labour between the men who made the things and the men who sold them. These were the first stages of specialisation. Then, too, we saw something of the gradual development of specialisation not merely between individuals but between localities—for example, between our corn-growing areas and our coal-mining areas. And, finally, we saw how this growing specialisation was necessarily accompanied by the rise of a banking system, the improvement of the roads, and the construction of canals. We have now to consider the latest stages of its development during the nineteenth century: the coming of that world-wide division of labour which some people regard as a rather uncomfortable feature of modern life.

When we consider specialisation as between individuals or localities within the country, we do not at the present time arouse much controversy. We do not in actual life meet with families who refuse on principle to employ a doctor in order that the mother may be encouraged to do the family doctoring herself. Nor do we find the London County Council attempting to tax or prohibit the use of Lancashire textiles in the Metropolis, on the ground that it is advisable for Londoners to establish a cotton industry of their own on the banks of the Thames. We do, however, find large numbers of people who object to the free importation of foreign goods, corn, dyes, machinery, or whatever they may be, on the ground that it is desirable for the inhabitants of a particular county to learn to produce these things for themselves.

*Its  
advantages  
and dis-  
advantages.*



There is, of course, one obvious reason why many people regard with special disfavour the division of labour between different countries. It is highly unlikely that a family will go to war with all the local doctors. It is equally unlikely that London will go to war with Lancashire. It is, however, far less unlikely that England will go to war with another country upon which it has become dependent for the exchange of goods, or with a country capable of cutting off its communication with these other countries upon which it has become dependent.

There is a second reason which has caused some people to deplore too much national specialisation—though, unlike the first, it is a reason which may also be applied to the specialisation of individuals and localities within a country. This is the feeling that, however profitable it may be, it is not good for the physical or moral development of a nation if too many of its inhabitants become absorbed in the same type of occupation.

This point of view has been expressed by two notable German writers, both of whom advocated the 'protection' of home industry by high import duties. Friedrich List, writing in the middle of the nineteenth century, argued that Germany must aim at developing her manufactures because 'in the merely agricultural state only the least portion of the mental and bodily powers existing in the nation is awakened,' and in such a state 'caprice, and slavery, superstition, and ignorance' exist. And Adolph Wagner, writing at the beginning of the twentieth century, said that it was undesirable for too large a proportion of the German population to become absorbed in manufacture,

because agricultural work was healthier and because manufacturing nations, such as England, tended to develop an unpleasant 'Händlergeist,' or 'trader spirit.'

These are not, of course, the only considerations which have induced, and still induce governments to hinder the international division of labour by prohibiting or taxing imports from foreign countries. But they are perhaps the most important considerations. It is now our business to see how and why, in spite of such considerations, this country allowed itself to become part of that world-wide system of specialisation on which it is dependent to-day

On the eve of the Industrial Revolution, this country was, in the main, self-sufficing. It imported considerable quantities of foreign goods certainly, among them wines, silk, colonial products such as tea, coffee, tobacco, spices, and sugar, raw cotton for its growing domestic cotton industry, merino wool for its cloth industry, and, most important of all, iron for its metal industries. But its imports still consisted mainly of luxuries. Bulky articles, such as wool, corn, and meat were still produced at home. If it had suddenly been surrounded, like Brünhilde, by a ring of fire, its six and a half million inhabitants could have gone on living quite comfortably in the middle, isolated from the world and its commerce. To take a somewhat exaggerated example: in 1750 this country was in the position of a farmer, leading a rather penurious life on his own estate, growing his own corn and vegetables, rearing and killing his own cattle, brewing his own beer, and weaving his own clothes from the wool of his own sheep. To-day its

*From self-sufficiency to world dependence.*

position is rather that of a prosperous craftsman who depends upon his neighbours not merely to buy his goods and supply him in return with all the various necessities of life, but also to sell him the very raw materials without which he cannot practise his craft.

Now this change did not come altogether unobserved and unchallenged. The swing from self-sufficiency to economic dependence on the world at large gave rise to one of the fiercest controversies in the history of this country: the free trade controversy, which was fought out in the course of a long-drawn battle during the first sixty years or so of the nineteenth century. The story of that controversy is briefly as follows.

Somewhere about 1765, this country began to import corn frequently year after year. Before that it had been imported only occasionally, in times of special scarcity. Indeed, the encouragement of home corn production had always been an important feature of the Mercantile System. With this aim, during the eighteenth century the government had adopted the policy of allowing home-grown corn to be exported only in time of plenty, when its price fell below a given point; and of allowing foreign corn to be imported only in time of scarcity, when its price rose above a given point. However, as the Industrial Revolution ran its course, bringing with it an astounding increase of wealth and population, the price of corn remained permanently above this given point; with the result that corn was continually imported.

*The battle  
for free trade.*

In 1793 we entered upon that long war with France

which continued, with two brief intervals, until 1815. And war meant the interruption of foreign corn supplies. Consequently, corn became scarcer than ever, and its price rose sharply. From 1770 to 1794 the average price of wheat for England and Wales had never risen above 54s. 9d. per quarter. In 1795 it jumped suddenly to 78s. 7d. In 1800 it touched 113s. 10d., and during the fifteen years which followed it fluctuated wildly, rising as high as 126s. 6d. in 1812.

*War and the food problem, 1793-1815.* The fact was that during those years we were practically feeding ourselves—but we were not doing it adequately, and large numbers of people were literally not getting enough to eat. That, of course, is one reason why the Poor Law problem became so acute at the end of the eighteenth century. Those were the days when rich people gave up using hair powder because it was made of flour, and when philanthropists set themselves to popularise new forms of diet, such as black bread and cabbage soup, among the labouring poor.

That was only one side of the picture. The other side was the astounding prosperity of the landlords and large farmers. They were not only enclosing the old open fields, and introducing improved methods on them, they were ploughing up land which nobody had ever dreamed of cultivating. Poor land, which it could never have paid any one to cultivate when wheat was 60s. a quarter, paid richly when wheat was fetching 126s. a quarter. Not only were landlords able to find tenants for land which had hitherto lain idle, they were able to raise their rents on land which was already in cultivation, because the farmers were getting such

high prices that they could afford to pay higher rents. Indeed, it is calculated that rents rose something like seventy per cent. during the war.

At last, in 1813, came the prospect of peace; and with it a general panic among landlords and farmers, who foresaw the end of their prosperity in the return of cheap imported corn. They had sunk their capital in fertilising poor soils and blasting granite boulders out of Dartmoor; they had begun to raise corn on newly ploughed lands; and, after all, prices were going to fall, the new lands would have to slip out of cultivation again; the money that had been spent on them would be lost. And so they began agitating strongly for legal protection. Quite apart from the question of justice to the agricultural interest, they argued, the best way to cure high prices in the long run was to increase the home production of corn as far as possible by inducing cultivators to go on putting capital into the land. Therefore, a heavy duty must be put on imported corn in order that people might be prevented from buying it except in times of exceptional scarcity.

When we recall the fact that, in 1813, the House of Commons was still mainly composed of landlords and their friends, we need not be surprised to find that they succeeded in getting the legal protection which they desired. In 1815 the famous Corn Law was passed, prohibiting the importation of foreign wheat unless its price rose above 80s. a quarter. But though the landlords succeeded in passing the Corn Law, their argument that the extension of home cultivation would eventually cure high prices was blown to bits even before that Corn Law was passed. In

*The  
Corn Law  
of 1815.*

1814 some evidence given before a Parliamentary Committee on Agriculture made it perfectly clear that only with continued high prices could our less fertile land be kept under cultivation. As soon as prices fell, such land would cease to be cultivated, because it would cease to pay. In fact, *low corn prices and plentiful supplies of home-grown corn could never exist together, since the plentiful supplies were the result of high prices, which made it worth while to cultivate inferior soil.*

It was upon these facts that David Ricardo, one of the greatest of the political economists, based his famous rent theory. This theory made it clear that a rise in rents was the necessary result of having to cultivate inferior soils. *Ricardo's interpretation.* The cultivation of inferior soils was the result of high food prices, which in their turn were the result of the growing needs of the population. Thus it was demonstrated theoretically that the income of the landowners depended not upon any exertions of their own, but upon the necessities of their fellow countrymen and upon their own good luck in possessing something that was strictly limited in quantity.

In the view of Ricardo and his fellow political economists there was only one real cure for high prices: the free importation of foreign foodstuffs. Such free importation would make it unnecessary for time and money to be wasted on the cultivation of inferior soils in this country. Both might be more productively employed in the manufacture of goods capable of being exchanged for foodstuffs grown in regions of the world where it had not yet become necessary to resort to inferior soils. In fact, the political economists preached their familiar gospel

of *laissez faire* : let people buy and sell freely, outside the country as well as inside; in this way labour and capital throughout the world will tend to be applied most profitably, and the population of this country and every other country will enjoy the greatest possible measure of prosperity.

For many years after the passage of the Corn Law, however, the political economists found themselves preaching to a House of Commons which, as we have seen, consisted of landowners and their friends. Naturally, therefore, it remained unconvinced. But after the Reform Act of 1832 things were changed. For the first time the great new industrial towns of the north and midlands began to send representatives of their own to parliament; and the opinion of the master manufacturers became a force in English politics. As we might expect, this opinion was hostile to the Corn Law. The master manufacturers wanted cheap raw material for their industries. They wanted cheap food for their workers. And above all they wanted world-wide markets for their goods. How, they argued, are the food-exporting countries of the world going to pay for English manufactures if England refuses to buy their foodstuffs?

Towards the end of the eighteen-thirties, therefore, a tremendous agitation on behalf of free trade in corn began to take shape. In 1839 the Anti-Corn Law League was founded under the leadership of Richard Cobden, himself a Manchester manufacturer. The League was enormously rich, for it had behind it the great mass of wealthy manufacturers throughout the country. It was also enormously

*The revolt  
of the manu-  
facturers.*

active, because the economic future of those wealthy manufacturers was at stake. It circulated tracts. It organised petitions. It held a succession of monster meetings. It promoted bazaars. It fought elections. It sent out bands of travelling lecturers who often met with rough treatment in the country districts at the hands of agricultural labourers, egged on by their local squires. In fine, it carried on an agitation of unparalleled vigour by methods which have served as a model for political societies from that day to this. And because its main headquarters were at Manchester, the free trade school of thought which it represented came to be known throughout Europe as the 'Manchester School.'

Curiously enough, the agitation carried on by the Anti-Corn Law League found very little support among the wage-earning classes, even though these were suffering so bitterly from the the burden of high food prices. The explanation is that it was generally believed, indeed, it had been definitely taught by David Ricardo, that low food prices meant low wages.

In 1846 the League was victorious. In that year it succeeded in persuading Sir Robert Peel, the Conservative Prime Minister, to repeal the obnoxious Corn Law and allow the free importation of corn. This did not, of course, make England a completely free trade country, because a huge number of other imports remained subject to import duties. It did, however, mark an important step on the way to complete free trade; and in the course of the twenty years which followed the repeal of the Corn

*Free trade in  
corn, 1846.*



Law, the foreign trade of this country became completely free. All duties which aimed at protecting home industries were gradually removed, and those which remained were allowed to remain only because they were necessary in order to secure a revenue for the government. The most important of these revenue duties were the duties upon tea, coffee, cocoa, tobacco, alcoholic drinks, and dried fruits. It is obvious that many of these duties cannot protect home industries because, for geographical reasons, the goods upon which they are levied cannot be produced at home. And wherever a duty might in effect protect a home industry, as in the case of the beer and spirit duties, it is prevented from doing so by the imposition of a corresponding tax—or excise—upon the home producer.

The repeal of the Corn Law in 1846, and the complete triumph of free trade during the years which followed, meant that England finally gave up the attempt to feed herself. Nevertheless, it is impossible to believe that the men who carried free trade in the middle of the nineteenth century could have foreseen the remarkable extent to which this country would eventually become dependent on foreign food supplies. In 1842 a distinguished political economist, McCulloch, prophesied that meat could never be imported on a large scale, owing to its perishability. This shows the danger of economic prophecy; for in 1880 the first steamers fitted with cold storage chambers were bringing us fresh mutton from Australia.

By the end of 1860 we may say that, as far as this country was concerned, all artificial hindrances to the import and export of goods had been removed. We

*Free trade  
all round,  
1846-60.*

had decided to let international specialisation take its course by allowing every individual to buy the cheapest goods he could obtain, irrespective of where those goods happened to be produced. And so, as the century ran its course, we grew more and more dependent upon the world at large; and the world at large grew more and more dependent upon us. It was give and take, We could not do without the world's corn, its raw cotton, its chemicals, its sugar, but neither could the world do without our textile manufactures, our incomparable Welsh steam-coal, or the services of our merchant fleet, and our London financiers. It was, in the words of Mr and Mrs Hammond, 'a development that made nations and industries dependent on a series of delicate relationships spreading like a net all over the globe.'

But the removal of artificial hindrances was not the only nineteenth-century development, nor even the most important development which carried *The transport inventions.* us into this network of world interdependence. After all, our hairy British forefathers had no customs officers, and yet it is as certain as any prehistoric fact can be, that they did not breakfast off Chinese eggs or dine off New Zealand mutton. Obviously, the abolition of artificial barriers to exchange between nations will not bring those nations into touch with one another so long as natural barriers remain; and the great natural barrier to such exchange is, of course, distance: the physical difficulty of moving things about. It was the transport inventions of the nineteenth century, combined with the relaxation of artificial hindrances, which brought the nations of the world into such close and complicated

exchange relations with one another. And the outstanding transport inventions of that century were railways and steamships. In both of these inventions Great Britain led the way, and the manner of their coming was as follows:—

At the beginning of the nineteenth century this country was relying upon its improved roads and its newly-built canal system for that growing movement of goods which was a feature of the Industrial Revolution. But rapidly as our transport system developed, the need of industry for transport developed more rapidly still. The canals became intolerably congested. Everywhere inventive men were racking their brains to devise new ways of moving things about. Some tried to harness the winds to land transport, and to devise wagons running on lines with sails like ships. Others, with a surer instinct, tried to harness the new steam power to some sort of vehicle capable of running along the ground.

In 1802 a Cornishman called Trevithick patented a steam coach which he exhibited in the Euston Road, to the delirious excitement of its inhabitants. It went very slowly, made a terrific noise, and consumed an inordinate amount of coal—and on the whole, the population generally decided to stick to horses and carts. Meanwhile, however, a certain colliery engineer named George Stephenson was meeting with better success in the north of England. By 1815 he had constructed a locomotive capable of carting coal about the colliery where he worked, at a speed which slightly exceeded that of a horse's walk. It was intolerably noisy, but it saved a certain amount of labour, and gradually the inhabitants of colliery districts grew

accustomed to seeing these fire-breathing creatures laboriously performing their daily work.

About this time, projects were being discussed for the construction of a public railroad between the industrial centres of Stockton and Darlington. Now the word 'railroad,' as used in the year 1817 did not mean what it means to-day. It meant simply a sort of tram-line along which horses and carts might travel with greater speed than on an ordinary road. By 1821 the projectors of this Stockton and Darlington railroad had succeeded in getting a Private Act through parliament allowing them to construct such a line for the passage of 'wagons and other carriages . . . with men and horses or otherwise.' And the idea of its promoters was that the public should be free to use the railroad—as one may use a canal to-day—on payment of a toll.

It was at this point that Stephenson made a momentous proposal to the projectors of the new railroad. He proposed that steam locomotives should be run upon it, on the model of those already in use in many of the collieries. After much argument, the projectors agreed, and Stephenson set to work to construct an engine of the proper type. By 1825 the thing was finished. In the presence of an 'immense

*The opening  
of the first  
railway,  
1825.*

quantity of spectators,' the first locomotive appeared on the line, driven by Stephenson himself, and dragging a long line of coal and passenger trucks, including 'an elegant covered coach, with the committee and other proprietors of the railway.' 'The signal being given,' so a contemporary magazine tells us, 'the engine started off with this immense train

of carriages . . . the horsemen galloping across the fields to accompany the engine and the people on foot running on each side of the road endeavouring in vain to keep up.' Small wonder that their effort was in vain, for a local reporter assures us that 'in some parts' the engine attained a speed of twelve miles an hour! In short, the affair was a huge success, and after the solemn inauguration described above, both horses and locomotives abounded on the new line.

It was not long, however, before the horses were forced to give way before the locomotives; and the reason was that the locomotives very soon learned to go faster than the horses. This was definitely proved by a famous race from Stockton to Darlington between a locomotive and a stage coach, in which the locomotive won by nearly a hundred yards. After that, the word railroad began to mean what it means to-day: a line over which locomotives owned by the proprietors of the railroad itself hold undisputed sway.

But even before the formal opening of the Stockton and Darlington Railway, projects were set on foot for the construction of a second line, this time between Liverpool and Manchester. As with canals, so with railways, it was the second attempt which roused the fiercest opposition. All manner of strange reasons were brought forward to prove that railways and steam engines were undesirable things. It was argued that hens would refuse to lay and cows would cease to give milk in the neighbourhood of the railway lines. It was argued that British sport would be ruined by the disturbance of game covers and the spread of poisonous fumes. It was argued that boilers would burst and that houses would be burned down by the 'fire thrown from

engine chimneys.' An 'eminent surveyor' was found to testify that 'even with the best locomotive engine the average rate would be but three miles and a half per hour.' The *Quarterly Review*, greatly daring, supported the scheme, but trusted that parliament would limit the speed of the new locomotives to eight or nine miles an hour. At last, however, the second Bill got through parliament, and in 1830 the Manchester and Liverpool Railway was opened—again in the presence of large and excited crowds. This time the trains accomplished the unprecedented speed of twenty-four miles an hour, and, at a push, thirty-six.

The next outstanding event in the history of our railway system tells its own tale of progress.

It is the great railway boom of 1847. The *The triumph of the locomotive.* savings of the country were poured into railway construction, just as a generation

earlier they had been poured into canal construction. The value of railway company shares rose to an absurd height, and a bad financial crisis followed, as the result of unwise speculation. But the whole thing meant that the network of railways was spreading, and it has gone on spreading ever since, until in our own day it is difficult to find a town or village in the country which is more than a few miles from the nearest railway station. And if we look at an up-to-date railway map we see London as the centre of a huge black spider's web of radiating lines.

*The first steamship, 1802.* Meanwhile, it was not only inland transport that was being revolutionised

by the application of steam. As early as the year 1802 a steamship called the *Charlotte Dundas* had been used for towing purposes on the

Forth and Clyde Canal. In the years which followed, paddle steamers became fairly common as river craft, both in this country and America. Finally, in 1809, one of them actually put out to sea. The name of this adventuress was the *Phœnix*, and her first sea voyage was from Hoboken to Philadelphia. Ten years later the *Savannah* crossed the Atlantic from New York.

By 1822 the superior speed of the steamship was generally recognised. According to statistics submitted to the House of Commons in that year, the speed of steamships then at work on a number of coasting routes was calculated as from twice to six times that of sailing ships. The immense superiority of the steamship over the sailing ship in regard to speed, means, of course, that a given amount of shipping can do a great deal more work. It means that the carrying power of our merchant fleet has increased during the nineteenth century at a greater rate than the actual amount of tonnage comprised by that fleet—a fact which helps to explain the enormous increase in the extent to which bulky goods are carried about the world from country to country. It also means greater certainty in business affairs. Merchants no longer have to wait anxiously ‘plucking the grass to know where sits the wind.’ And the telegraph and telephone, developed during the second half of the century, enabled them to transmit rapidly the orders and price quotations, the bills and credits, in response to which this vast movement of goods is set in motion.

In spite of the unquestionable superiority of steamships, however, sailing-ships managed to hold their

own with a wonderful tenacity during the nineteenth century. After all, it needed a tremendous superiority of speed to compensate for the sailing ship's habit of getting its motive power for nothing. Moreover, the early engines consumed such a terrible quantity of coal, that an extravagantly large proportion of cargo space was taken up by fuel supplies. It was not until somewhere about 1870 that the tonnage of steamships on the United Kingdom register began to overtake the tonnage of sailing ships. After that the sailing ships declined relatively to steamships, year by year. To-day they are confined for the most part to the coasting trade; and when we see a tall five-master towering over the streets of Rotherhithe from its berth in the Surrey

*The passing  
of the  
sailing-ship.*

Commercial Docks, we think of it involuntarily as something which is a little out of date; one of those passing glories of history which tempt us to weep unreasonably because of the progress of civilisation.

There is, however, one important aspect of these new developments in communication which we have

*Large scale  
business*

not yet considered: their effect upon business organisation. The end of the nineteenth century and the beginning of the twentieth is characterised by the growth of what the political economists call large scale business, that is, by an extraordinary growth in the size of single firms.

The phrase 'large scale business' may suggest to some readers the rise of a giant retail store in some large English town. It starts, perhaps, as John Smith, a small draper's shop. Gradually it swallows up its neighbours on either side, extending



its glass frontage down the street. Gradually, too, it broadens out its business from drapery to stationery, from stationery to furniture, finally transforming itself into a vast *and the evolution of John Smith.* and resplendent building in which one can buy everything under the sun from vegetables to scientific instruments. Sometimes John Smith & Co. will openly buy up competing firms in the same town, casting his great name over them. Sometimes he will buy them up in a more modest way, allowing them to go on trading under their old names; in which case the majority of customers who continue to deal with Tom Jones or William Brown will be unaware that they are really dealing with John Smith & Co. all the time. Indeed, we may expect branches of John Smith & Co. to appear in other large English towns, perhaps even in Paris or Cologne, and his familiar motor-vans will penetrate the country-side, linking up the homes of our country gentry in mutual dependence upon one universal provider. Meanwhile, John Smith & Co. is still growing, and his end is not yet.

We have used John Smith as an imaginary example of the kind of business giant with which the ordinary town-dweller is familiar. He is typical of that teeming race of business giants which controls not merely the retail distribution but, in a still larger measure, the production and wholesale distribution of our economic wealth.

But the growth of giant firms, employing increasing armies of wage-earners, and working with increasing masses of capital, is not the only development of business organisation which this latest period has

to show. There has also been a tendency for single firms, either in the same country or in different countries, to enter into agreements with one another, forming trusts or combinations for the purpose of restricting competition among themselves.

An interesting example of such a combine is the American Meat Trust. At the present time the American meat-packing industry is in the hands of five great firms known as the 'Big Five.' These act in close agreement with one another, and control between them over five hundred subsidiary companies, among which are firms in Great Britain, Australia, New Zealand, and Canada, Germany, France, Italy, and Denmark, Argentina, Brazil, Uruguay, and Paraguay.

When we turn to our own country we find similar agreements in existence. The wall-paper industry is entirely in the hands of a single combination of firms known as 'Wall-Paper Manufacturers Ltd.' Practically the whole sewing-cotton industry is under the control of two closely associated firms, Messrs J. P. Coats, Ltd., and the English Sewing Cotton Co., Ltd. The soap industry is dominated by Lever Bros., Ltd., which controls the Vinolia Co., Ltd., and R. S. Hudson & Co., Ltd., and which has a large share in the control of A. & F. Pears, Ltd. These are only four examples selected at random from among the great business combines which control the production and distribution of economic wealth at the present time.

As to the advantages and disadvantages of such agreements or combines, there is much controversy. Their supporters maintain that by securing concerted

action, by avoiding overlapping, by regulating output, and controlling prices, they enable production to be carried on more efficiently and more cheaply. On the other hand, their critics point out that the absence of competition is a dangerous thing as far as the purchaser is concerned, and that when once all the producers of a single commodity begin to act in agreement, prices will go up and unfair profits will be made. It is not, however, our present business to balance the advantages and disadvantages of such combinations. We must be content to indicate their existence—an existence which was made possible by the development of those new mechanical powers which enable the men of our own generation to move things about in great quantities over great distances, and to communicate rapidly with one another by mail or cable, telephone or wireless.

Let us now, using the foregoing chronicle of political, economic, and technical progress as a background, return to our consideration of Great Britain's development in its relation to the world at large.

The close of the Napoleonic war in 1815 left her a highly developed industrial power, and the only highly developed industrial power in the world. While the mainland of western Europe, newly freed from serfdom, had been serving as a vast chess-board for the marching armies of Napoleon and his enemies, Great Britain, building on the free economic life of two centuries, and secure in her sea frontiers, had been going ahead. It was natural that the distracted and war-worn peoples of Europe should turn to her as the 'Workshop of the World.'

*Great  
Britain, the  
universal  
provider*

She sent them manufactured goods and she sent them coal. After 1824, when her own laws allowed it, she sent them machinery and skilled workmen in order that they in their turn might develop as industrial nations. And in the forties she began sending them railway material for the construction of a European railway system—all of which was very profitable business for this country.

We must not, however, suppose that the trading relationship, that is to say, the exchange of commodities and services for one another, was the only economic relationship which came to bind the nations of the world so closely together during the nineteenth century. Alongside of the *trading relationship* there was beginning to develop an *investing relationship*. Business men in this country were not only selling the products of their industry to foreigners for ready money, which would give them the immediate right to demand an equal value of goods in return. They were, in some cases, lending money abroad, and so giving foreign countries a claim upon the products of our industry for which they did not immediately pay. Instead of sending this country goods in return, they would send little pieces of paper called 'securities,' which would entitle their owners to receive interest year by year. Thus, when the inhabitants of Great Britain invested capital in a foreign country, that foreign country would be given an immediate claim on the produce of British industry, and for the moment Great Britain would be so much the poorer. It would find itself exporting goods and services for which it received no corresponding goods and services in return. But it would

and the  
world's  
creditor.

henceforward be in the position of a creditor to whom interest must be paid. Every year it would be able to claim a portion of the produce of its debtor's industry. Every year a certain number of imports would come to Great Britain, or a certain number of services would be performed for her inhabitants by foreigners, for which no return would have to be given.

This is one of the reasons why, in the years before the war, the foreign trade statistics of this country showed a large balance of imports over exports. A seventeenth-century mercantilist, on looking at these statistics would have declared that we were on the verge of bankruptcy. He would not have recognised the balance as a national unearned income: a sign of our stupendous economic power. And incidentally we may observe that the investing relationship is one which binds nations together even more closely than does the trading relationship. When once the inhabitants of this country have invested their capital in another country, their prosperity is inextricably bound up with the prosperity of that other country. The shopkeeper will lose good business if his customers are ruined; but if the worst comes to the worst he can always turn his back on them and look for new ones elsewhere. But the creditor will lose more than this if his debtors are ruined. He will lose the capital which he has lent them, and interest on which he has counted. At the beginning of the nineteenth century, such capital as the inhabitants of this country invested abroad, would for the most part, be invested in the old world of western Europe. There came a time, however—it is difficult to give it a date, but we

*The  
widening  
of the  
great net.*

may perhaps place it somewhere about 1870—when our investors of capital had to go farther afield. The mainland of western Europe was becoming, like this country, a workshop. Like this country, it had built railways, established manufactures, developed mineral resources. Like this country, it was demanding food and raw material from the outside world. Like this country, it was accumulating capital and seeking fields of investment.

And so, in company with the European nations whose industrial revolutions it had financed, Great Britain came to concern itself more and more with the undeveloped resources of new continents. If the growing industrial populations of Europe were to be fed and employed, America, Africa, Asia, and Australia would have to be developed as never before. Nor was it merely a question of developing sea coasts. Railways must be pushed inland. Corn must be transported across vast land areas, from the plains of southern Russia or the middle west of North America. Oil-nuts must be brought down to the sea from the forests of tropical Africa, meat from the uplands of Argentina or the sheep runs of the Australian bush. And the greater the demand of industrialised western Europe for the raw products of the world, the greater the demand of the world for the rapidly accumulating capital of industrialised western Europe.

Thus the opening of the twentieth century found Great Britain immeasurably richer in terms of material satisfaction than she had been in 1815. Her food, plentiful and various as never before in the history of mankind, was drawn from the whole earth's surface. And thanks to her wealth of coal, her busy manufactures,

her financial genius, and the work of her incomparable mercantile marine, she was able to pay for it with a minimum of effort. Some of it indeed, as we have seen, came to her shores as it were gratis, in the form of interest on capital which had been invested year by year throughout the nineteenth century.

But, for good or evil, Great Britain was no longer the sole and undisputed 'Workshop of the World.' The world of to-day has many workshops. Moreover, there was hardly a power in Europe which had not, like Great Britain, become involved in that 'series of delicate relationships spreading like a net all over the globe.'

And then, in 1914, when the material prosperity of western Europe was at its height, when the interdependence of nations had become complete, when the wonderful mechanism of the Great Society was working so smoothly that the majority of us hardly realised its complexity or the extent of our dependence upon it—the secret diplomatists of Vienna and Berlin struck their blow at civilisation, and the network of 'delicate relationships' upon which that civilisation depended was torn in pieces.

## CHAPTER XV

### THE NEW AGE OF PATERNALISM

And the Lord said unto Cain, Where is Abel thy brother?  
And he said, I know not : am I my brother's keeper?  
Genesis iv. 9.

IN the course of our earlier chapters we traced the gradual swing of public opinion against the paternal government of Tudor days. We saw how the practical breakdown of that paternal government during the seventeenth and eighteenth centuries finally received the benediction of the Political Economists in the early stages of the Industrial Revolution, and how, by the opening of the nineteenth century, the tide of public opinion was flowing strongly against state interference of all kinds. We have now to see how a new conception of paternalism came to develop during the nineteenth century and how the government of this country once again shouldered the responsibility of ordering the lives of individuals in the interests of the nation.

Before dealing with the actual facts of this new paternalism, it will be as well for us to consider two factors which have an important bearing upon it. The first is the later development of economic theories; the second is the development of government machinery



The political economists of the early nineteenth century were able to prove very convincingly that the individual was the best judge of his own economic interest, and that the wealth of the nation, which was simply the sum total of the wealth of several million individuals, would be secured by allowing each individual to get as rich as he possibly could. And because it was all so convincing, we sometimes find the early advocates of factory legislation confessing openly that their proposals are 'against political economy,' and appealing simply to common pity. This attitude of mind is well expressed by the sentence quoted in Chapter XIII. 'The stern principles of political economy must sometimes yield to the cry of misery and to considerations of humanity.'

But, as time went on, it became increasingly obvious that the country was in a sense living on its capital. It was producing a vast amount of wealth certainly, but it was producing this wealth in such a way as to damage its power of production in the future. Children were growing up stunted and deformed by overwork, in many cases they were not growing up at all. Even grown men and women were allowing themselves to be undermined in health and mental vigour by work whose immediate results were not worth the human wear and tear which they cost—wear and tear which the nation might ultimately have to pay for in the form of hospital treatment or poor relief. And so, gradually throughout the nineteenth century, public opinion evolved the belief that in the ultimate interests of the nation, the individual must be protected from himself and from his employer.

*The  
extravagance  
of 'laissez  
faire'*

Bearing such considerations in mind, the economic theorists no longer preached *laissez faire* with the unanimity of a well-trained chorus. Many of them ceased to regard the total wealth of the nation as the great test of economic prosperity, without regard to the human efforts and sacrifices by which it was obtained. And the new theories which were being developed in connection with the problem of *value* helped still further to undermine the old conception of national wealth. When once it is admitted that a given amount of wealth may give a very different amount of satisfaction to different people, the task of the economist becomes more complicated than ever. It is not enough for him to tell us under what conditions we can produce the maximum amount of wealth, he has also got to tell us under what conditions that wealth should be distributed in order that it may give us the maximum amount of satisfaction. Without plunging into the cross-currents of modern economic thought, we may sum up the matter by the following statement: to-day, any politician who argues that state interference in general is 'against political economy' will not find many political economists to back him up.

We must now turn to the second important factor which bears upon the development of nineteenth-century state interference: the machinery of government. Here we get an interesting comparison with our earlier age of paternalism. In the days of the Tudors, as we have seen, the actual work of government was done by the King, and his personal advisers, the Privy Council. Parliament played very little part in the

and the  
mystification  
of the  
economists.

Represent-  
ative  
government

matter. It passed bills submitted to it by the Privy Council, and that done, it left the Privy Council to carry them out as it saw fit. And the Privy Council, which regarded itself as the chosen representative of the King, and not as the chosen representative of the people, went to work in a fatherly and sometimes in a very tyrannical manner, with the help of the local J.P.'s, who acted as its unpaid officers throughout the country.

When we come to the opening of the nineteenth century, however, we find a very different state of affairs. The Privy Council no longer exists for practical purposes of government. Its power has passed to parliament. The actual work of government is in the hands of the Cabinet—a body responsible to parliament for administering its laws; and the Cabinet works through the various government departments with their armies of paid officials—armies which grew enormously in numbers, efficiency, and honesty throughout the century. It is indeed the growth of this army which makes it possible for our twentieth-century government to administer very much more complicated pieces of paternal legislation than had been thought possible at the beginning of the nineteenth century.

In the days when Adam Smith thundered against government interference there was at least this much excuse for his thunderings: the government officials of his time were not merely inefficient, they were often exceedingly corrupt. Moreover, with the successive franchise acts of the nineteenth century, the parliament to whom these officials and their Cabinet chiefs were responsible, became increasingly representative of the

people. At the beginning of the century hardly anybody outside the well-to-do land-owning classes took part in its election. At the end of it, not merely the manufacturing interest, but the male half of the working classes in town and country alike were well represented, and in a position to make their views felt either for or against government interference with their own lives. And to-day it represents women as well as men.

With the foregoing background of economic and political change, let us now consider some of the outstanding facts in the story of this new age of paternal government.

In an earlier chapter we traced the first tentative stages in the history of factory legislation: We saw how Parliament, moved by the 'cry of misery and considerations of humanity,' slowly brought itself to the point of interfering with the labour of children in textile factories, of women and children in coal mines. This led us down to the year 1842. These early acts, however, proved to be the 'thin end of the wedge.' Year by year the stream of factory legislation broadened. The early acts had applied only to textile factories and coal mines. Gradually they were extended to all factories in which women and children were employed. Gradually, too, parliament began to go beyond the negative task of limiting hours. It began to lay down conditions of safety and sanitation which must be attained in factories where women and children were employed. And in addition to general rules binding on all such factories, there would be special rules relating to specially dangerous industries,

*The -  
beginning  
of factory  
legislation.*

and concerning men as well as women. We have already seen how, from 1850 onwards, the coal-mining industry was subject to steadily increasing numbers of safety regulations. Other occupations which have been subjected to special health or safety regulations are the glass-cutting industries and the white lead industries.

It was not, however, until the beginning of the twentieth century that the government of this country resumed the duty which it had formally renounced in 1813: the duty of fixing wages. In a sense, of course, it had been interfering with wages for a hundred years. The regulation of hours may possibly mean an interference with wages in so far as it prevents a worker from exerting her full earning power. And it has sometimes been urged that one reason for the general lowness of women's earnings as compared with men's, is the fact that their labour is subject to so many legal restrictions and conditions that, other things being equal, employers prefer to employ men. Meanwhile, wages were more directly affected by a series of acts passed from 1831 onwards, and known as the Truck Acts. It was not uncommon during the first half of the nineteenth century for employers to pay wages either in the form of such goods as they were concerned in manufacturing, or else with the stipulation that some portion of the wages should be spent in a particular shop. This practice was known as the 'truck system.' Truck Acts were passed in 1831, 1887, and 1896, and their object was to ensure that wages should be paid in money, and without any stipulation as to how or where they should be spent.

*The return  
of wage  
regulation.*

But while the government was interfering more and more minutely with the conditions of labour in mines and factories, it was gradually becoming aware of the pressing need for some kind of interference in connection with certain classes of labour outside mines and factories. These were the so-called *outworkers*, mainly women, who worked in their own homes for piece wages, upon materials given out to them by an employer. The majority of them were employed in the clothing trades, but they were to be found also in box-making, chain-making, leather-working, brush-making, and a number of other industries.

As early as 1843 public attention had been called to the miserable conditions of these outworkers, by the publication of Thomas Hood's *Song of a Shirt*. It was a case of:—

‘Work—work—work !  
From weary chime to chime,  
Work—work—work—  
As prisoners work for crime !  
Band and gusset and seam,  
Seam and gusset and band,  
Till the heart is sick and the brain benumbed  
As well as the weary hand.’

And because such work was being carried on in thousands of unknown, isolated homes up and down the country, no factory inspector could inspect it, no Factory Act could regulate it. Incidentally, no trade union could organise its workers. Some of these workers were employed intermittently, when their husbands were out of work, or when extra earnings were needed for some special reason. But many were

single women or widows attempting to support themselves and others on their own earnings; and because their earnings were, as a rule, insufficient to cover the bare necessities of life, the industries in which out-workers were employed became identified in the public mind with the word 'sweating.' These home industries were, in fact, the stronghold of the 'sweating system.' In them one found, on the whole, the longest hours, the lowest wages, and the most helpless workers. In them, therefore, Parliament found itself reverting to the old policy of interference with the rate of wages. In 1813 it had repealed the wage clauses of the Fifth of Elizabeth. In 1909 it passed the Trade Boards Act.

The Trade Boards Act provided for the establishment of a legal minimum wage in four of the most sweated home industries: tailoring, card-board box-making, lace-finishing, and chain-making. Like the Fifth of Elizabeth, the Trade Boards Act did not itself define the actual wage; it set up the machinery by which such a wage should be determined. Unlike the Fifth of Elizabeth, however, it required the determination of a *minimum* wage only. No worker was forbidden to demand more, no employer was forbidden to pay more than the legal minimum. Again, unlike the Fifth of Elizabeth, the Trade Boards Act provided that the body responsible for determining the legal minimum wage, the trade board for the particular industry concerned, should contain an equal number of representatives of employers and employed. Under the old act wages were determined by the J.P.'s, who would be drawn from the employing class only,

*The Trade  
Boards  
Act, 1909.*

and would, in the majority of cases, be themselves employers of agricultural labour.

The Trade Boards Act of 1909 proved, like the early Factory Acts, to be the thin end of a wedge.

*The spread of wage regulation.* No violent disturbance of industry followed it, no wholesale dismissals of work-people. Wages increased perceptibly in the

industries affected by the Act, and to compensate for the increased cost of wages many employers were forced to improve the efficiency of their organisation. As a result, the government department responsible for administering the Act took advantage of a clause which allowed other industries to be included with the consent of parliament. Trade Boards were accordingly set up in the confectionery, shirt-making, hollow-ware, and embroidery industries. Finally, in 1918, a new Trade Boards Act was passed, which empowered the responsible government department to set up a trade board in any industry where it considered a minimum wage to be necessary, without going through the formality of obtaining the consent of parliament. This meant that the experimental stage of such legislation was over. Parliament had been definitely converted to the view that it was the business of the state to prevent wages from falling below bare subsistence level.

But it was not only in the unorganised and sweated industries that the principle of the minimum wage made headway during this period. In 1912 one of the most highly organised and well-paid industries in the country—the coal-mining industry—was given a legal minimum wage, as the result of the great coal strike of that year. The Coal Mines Minimum Wage Act of 1912



introduced no new machinery for wage determination, the machinery was already there, it simply gave the force of law to the wages determined upon by the existing Joint District Boards representing employers and trade unions.

Finally, after the outbreak of war in 1914, the policy of wage regulation spread through industry in the form of special legislation called forth by war conditions. Perhaps the most important piece of such war legislation was the Corn Production Act of 1917, which established a minimum wage for agricultural labourers.

Interference with the conditions of wage-earners was not, however, the only form of state interference which developed during the nineteenth century. There was another form which affected national life even more profoundly, because it was not confined to employers and wage-earners. It touched everybody, young and old, rich and poor. It is a form of state interference which may be described as 'compulsory co-operation,' or the development of state services. Whenever a state decides to raise a tax and spend it upon the performance of some necessary service of benefit to the whole community, we may say that all tax-paying individuals are being compelled to co-operate for the satisfaction of their own needs. For centuries it has been taken for granted that the inhabitants of a country should be forced to co-operate in order to provide themselves with an army and a navy. Equally has it been taken for granted that the inhabitants of a locality should be forced to co-operate in order to provide themselves with roads, poor relief, and police. It is generally recognised that these

*The growth  
of the  
public  
services.*

services are better and more economically performed if they are performed by a single controlling authority. And so we do not exempt an individual from paying part of his rates on the ground that he does not use the roads, being an invalid; or on the ground that he already contributes his share to the relief of the poor in the form of private charity; or on the ground that he always carries a revolver and therefore has no need of police protection.

At the beginning of the nineteenth century, however, the number of services which were 'public' in the sense described above, was exceedingly limited. The central authorities provided an army and a navy, law courts, postage, and a diplomatic service. The local authorities throughout the country provided roads, poor relief, and police protection. This last was, however, so inadequately performed, that in London groups of householders would co-operate on their own account to provide night-watchmen for their particular street or square.

It was at such a time that Chadwick opened his campaign on behalf of a national public health service.

*National health* Sanitation was, in his opinion, a service in which individuals should be forced to share, for their own good, whether they liked or not. It was also the kind of service which could be most economically and efficiently performed by a single controlling authority. Clearly the drainage of a town by a number of competing private companies would, even if these succeeded in covering the whole area, involve wasteful overlapping, duplication of pipes, and general lack of plan. As we have already seen, Chadwick was moderately successful

in his mission, for in 1848 the first Public Health Act made it possible for a majority of ratepayers in any locality to set up an elected health authority with power to perform a multitude of sanitary duties for all the inhabitants of that locality, and at their joint expense.

The Act of 1848 was the parent of a long line of Health Acts, and we may say that, with one exception, in no sphere of life has the principle of compulsory co-operation been pushed further. To-day, the local health authorities which have developed out of Chadwick's Local Boards of Health are compelled to provide for the scavenging, lighting, and draining of their areas. They are compelled to provide for the isolation and disinfection of certain infectious diseases. They are compelled to appoint sanitary inspectors to carry out a mass of duties, including the prevention of overcrowding, and the prosecution of persons attempting to sell food which is unfit for human consumption. In addition to those things which our local health authorities are *compelled* to do, there are a whole host of things which they are *empowered* to do. They may provide hospitals, dispensaries, day nurseries, health visitors, and infant welfare centres. They may pull down old houses and build new ones. They may buy land, whether its owners want to sell it or not, and finance schemes of town-planning. They may provide baths and wash-houses, recreation grounds, allotments, and public libraries, water, gas, electricity, trams, museums, bands, and fire engines.

There is, however, one national service which shows an even more striking development than the health service: this is the education service.

As we have already seen, the concern of parliament with the welfare of wage-earning children was one of the outstanding features in the early history of factory legislation. But the history of children during the nineteenth century is something more than the history of their exclusion from mines and factories; it is the history of their inclusion in schools and playgrounds. State interference with the lives of children came from two directions. In the first place there were the Factory Acts, embodying prohibition, and saying to the child '*Thou shalt not*—do certain work, during certain hours, at a certain age.' In the second place there were the Education Acts, embodying *obligation*, and saying to the child '*Thou shalt*—do certain work, during certain hours, at a certain age.' And so between the two we see the child being gradually elbowed out of the labour market into the school. We see public opinion gradually veering round to the view that the economic welfare of the nation depends not upon getting as much as possible out of the child, but upon putting as much as possible into it.

The history of national education in this country falls roughly into three periods. We may call the first period the period of *laissez faire*. It was the period during which the government did nothing whatever to encourage education. This was partly because it had an uncomfortable feeling that education was bad for the working classes. It enabled them to read revolutionary literature, and fostered the 'absurd notion that they were upon a footing with their superiors in respect of their rights to mental

1. *Education and 'laissez faire.'*

improvement.' It was, however, partly because of the mutual distrust of Churchmen and Nonconformists. The Churchmen would have nothing to do with an educational system which was not entirely in the hands of the Church, the Nonconformists would have nothing to do with an educational system which was. The guns of the two camps, which should together have been turned upon ignorance and prejudice, were, in fact, turned upon one another.

Fortunately, however, in 1833 the *laissez faire* period came to an end. The government did not assume the burden of providing education and compelling people to receive it, but it began to give a certain amount of *state encouragement to voluntary societies* which were attempting to provide education, by giving them grants of public money. And in 1839 the business of allotting such grants was put into the hands of a special sub-committee of the Privy Council, which eventually grew into the Board of Education. In spite of the increasing expenditure of public money, however, the educational system of the country remained deplorably inadequate. It was not merely that there were not enough voluntary schools to bring education within reach of every child; but those which did exist were far from satisfactory. And in 1867 a new argument was added to the general demand for more education. In that year the working men in the towns were given the vote, and an immense power for good or evil passed into their hands. Rich people no longer asked one another, 'Is it safe to educate the lower orders?' Mr Lowe expressed the feeling of the country when he

2. *Education and state encouragement.*

said, 'We must now, at least, educate our new masters.'

And so, in 1870, the period of state encouragement came to an end, and the third period, the period of *state provision* began. In that year

3. *Education and state provision.* Mr Forster's Education Act was passed, which provided for the establishment of

an elected School Board in any district where no efficient voluntary school existed. It was the duty of that School Board to provide a school and maintain it out of the rates. Ten years later, education became compulsory throughout the country, and so, as the nineteenth century drew to its close, the Education Acts began most thunderously to say 'Thou shalt !'

Since the passage of Mr Forster's Education Act in 1870, there have been two great landmarks in the history of education. The first is Mr Balfour's Act of 1902, which abolished the School Boards and transferred their work to the County Councils. The second is Mr Fisher's Education Act of 1918, which raised the school-leaving age by a year, required children to attend continuation classes for a certain number of hours per week after leaving school, and conferred a whole host of new powers upon the local education authorities. But this bare reference to the three great Education Acts of our third period will convey to the reader a very faint impression of its astounding record of state activity in regard to the welfare of children. Not only have the local education authorities been entrusted with wide powers as regards the provision of elementary and secondary education, they have also been entrusted with wide powers as regards the

provision of meals and medical advice. Indeed, when we consider the Health Acts and the Education Acts together, we may say that the local authorities are between them empowered to provide for the physical and mental well-being of children from birth until the age of fourteen, and to a limited extent until the age of eighteen years. In so far as these powers are not exercised it is the fault of apathetic local bodies representing apathetic electors.

It may possibly strike the reader that all this is really not paternal government at all. Paternal government is the fatherly rule of a power which does not submit to the control nor ask the advice of those whom it rules. In Tudor days, when the Privy Council represented central authority, and the Justice of the Peace represented local authority, we may well use the term 'paternal government' to describe a system of state interference with the individual. To-day, when a democratically elected House of Commons represents central authority, and a democratically elected council represents local authority, the word 'paternal' seems a little out of place. Indeed, those who take a rosy view of this new age and its possibilities might be tempted to describe its system of state interference as *fraternal government*.

*The father  
or the  
brother?*

## CHAPTER XVI

QUO VADIS? <sup>1</sup>

O glory of years to be,  
I too will labour to your fashioning.

DRINKWATER.

WE have reached the end of a long and tangled story. It has carried us through eight centuries or so, and landed us at the point where *The heritage of the twentieth century.* history merges into politics. The story has shown us, in shadowy outline, the stages by which mediæval England was transformed into a Great Society. Let us now take stock of our position and see what the transformation has brought to the inhabitants of this island.

It has brought them, in the first place, wealth and knowledge, new powers of resistance to sickness and death, new desires and new means of satisfying those desires. But in so doing it has brought into their lives three new and very difficult relationships, relationships whose perfect adjustment requires clearer thought and greater goodwill than have yet been brought to the task.

The first is the relationship between *Labour and Capital*. It is a relationship which did not exist in

<sup>1</sup> 'Whither goest thou?'



mediæval England, because as we have seen, each worker owned the instruments with which he worked, and marketed the goods which he produced. The relationship which we are trying to adjust to-day developed by gradual stages with the development of new demands for the accumulation of capital—first in commerce, later in industry. We see the mass of manual workers becoming less and less capable of marketing their produce over widening areas, less and less able to provide the accumulation of capital necessary for the most up-to-date methods of production. We see them growing more and more dependent upon the minority of rich or exceptional men who can provide the necessary wealth and knowledge for the conduct of industry and commerce. Thus, at last, the manual worker is separated from his consumer, and from his instruments of production, and society is faced with the problem of Labour and Capital. How are we to adjust the relations of the workers to the capitalists and organisers? To what extent should the workers be given a voice in the organisation of production? On what principle should the products of industry be divided between those who work, those who organise, and those who lend? Up till the present time, as the reader will remember, the products of industry have been distributed by a process of free bargaining between individuals, modified as we draw near to our own times, by trade union agreements, factory legislation, taxation, and minimum wage regulations. But clearly we have not yet succeeded in adjusting the relationship satisfactorily. Whole branches of industry are brought to a standstill

from time to time as the result of disputes between employers and employed. And somehow we manage to distribute the products of industry so clumsily that in spite of our huge capacity for production, large numbers of people are not getting enough to keep them in mental and bodily health. As a result, we sometimes find groups of producers losing heart in their work, while mutual distrust broods like a deadening black cloud over employers and employed.

The second new relationship which we have got to learn how to adjust is the relationship between

*Great Britain and the nations of the world.*

(b) *The  
problem of  
international  
relations.*

This, of course, is not new in the sense in which the relationship between Labour and Capital is new. England carried on some sort of commercial intercourse with foreign countries even in the Middle Ages; though, as we have already seen, its imports consisted mainly of luxuries, and played a very small part in the lives of the great mass of English people. The *newness* of the relationship lies in the fact that to-day we are vitally dependent upon our imports. We could not live without them. And in order to pay for them we must produce wealth in some form or other for the world at large. More than that, we must maintain intact that intricate and delicate network of international exchange machinery with which our foreign purchases and sales are financed. We are no longer what John of Gaunt described as:—

‘ . . . This little world,  
This precious stone set in the silver sea,  
Which serves it in the office of a wall.

Or as a moat defensive to a house,  
Against the envy of less happier lands.’

Upon the economic prosperity of other lands depends their power to buy from us, our power to buy from them. We can no longer afford to withdraw behind our moat and look on unconcernedly at the tribulations of the world outside. And in so far as we fail in our adjustment of international relations we bring physical suffering to the world of which we ourselves are a part.

The third new relationship which the Great Society has brought into our lives is the relationship between *the individual and the state*, or rather of individuals to one another as members of the state. This again is not, strictly speaking, a new relationship. The state existed in the Middle Ages and was to some extent responsible for the everyday lives of individuals. We have already seen that it attempted to regulate the prices of certain commodities, and that it attempted to direct and control such foreign trade as there was. But with the rise of the Great Society there arose also a new tie between the individual and the state. In the Middle Ages it had been possible for a large proportion of the population to live in little self-sufficing family groups, each dependent upon its own exertions and the fertility of its land-holding. To such a family group policies of state mattered very little. Its food supplies and its fuel supplies might be affected by local weather conditions, but they would hardly be affected by wars, trade disputes, or the action of government departments. (c) *The problem of citizenship.*

To-day, however, our system of production has become so dependent upon large scale organisation that a single family group no longer stands or falls by its own exertions and good luck. It is in the position of one small cog in a vast machine, and that machine can only be controlled by the co-operation of individuals organised on a correspondingly vast scale. The individual must regard himself, not merely as a single unit, producing wealth for his own needs, he must regard himself as the responsible citizen of a state which can, if it so chooses, direct and control, limit and stimulate the whole organisation of economic life. Indeed, it is as citizens of a state that individuals will have to co-operate if they are going to adjust the two relationships which we have already mentioned: Labour and Capital, Great Britain and the world.

Such is the heritage of unsolved problems which the makers of the Great Society have handed down to us. When we think about them, we may be tempted to feel as though our ancestors had bequeathed us an enormously powerful ship to navigate without compasses on an uncharted sea. Nervously we ask ourselves 'Quo vadis?'

Nevertheless, there is some splendour in the enterprise, for we are piloting the mightiest craft that the ages have known. There is comfort, too, in the thought that when we look aloft through her tangled cordage we can see those same stars by which men learned to navigate nineteen hundred years ago.

## INDEX

### A

Abyssinia, Kingdom of, 101.  
 Agrarian Revolution, in  
   15th and 16th centuries,  
   116 *sqq.*  
 Agriculture, Board of, 164,  
   170.  
 Ale, Assize of, 38.  
 Amalgamated Society of  
   Engineers, 249.  
 America, North,  
   —, discovery of, 102 *sq.*;  
   —, revolt of colonies, 200.  
 American Meat Trust, 282.  
 Antwerp, 93;  
   —, Merchant Adventurers,  
   98.  
 Apprentices, 68;  
   —, Statutes of 1531 and  
   1536, 86;  
   —, Statute of Artificers,  
   114 *sq.*;  
   —, parish apprentices in  
   factories, 203 *sqq.*;  
   —, in mines, 215;  
   —, repeal of Statute of  
   Artificers, 242.  
 Arkwright, Richard, sets up  
   spinning mill, 160.  
 Armada, the Great, 99, 104,  
   108, 110.  
 Ashley, Lord. *See* Shaftes-  
   bury, Lord.

Ashley, Professor, 39, 119.  
 Atwood, 39.  
 Australian mutton, 273.

### B

Bachelor Gilds. *See* Jour-  
   neymen.  
 Bakewell, Robert, 168 *sqq.*  
 Balance of Trade, 134 *sq.*  
 Balfour, Education Act, 302.  
 Ball, John, 77.  
*Ballad of Nowadays*, 118.  
 Banking, need for, 137;  
   —, by goldsmiths, 138 *sq.*  
   —, Bank of England  
   founded, 140.  
 Bergen, Hanseatic town, 94.  
 Birmingham, 146.  
 Black Death, effect on popu-  
   lation, 47;  
   —, commutation of  
   labour, 74 *sq.*, 78 *sqq.*  
 Boon Work, 56, 59.  
 Bordar. *See* Cottar.  
 Bread, Assize of, 37 *sq.*  
 Bremen, 93.  
 Bridgewater, Duke of, 165 *sq.*  
 Brindley, 166 *sq.*  
 Bristol, population in Middle  
   Ages, 30, 62.  
   —, Atlantic port, 105.  
 Bruges, cloth-making centre,  
   93.

Bruges,  
     Hanseatic settlement, 94;  
 —, Staple town, 95;  
 —, Merchant Adventurers,  
     98.  
 Burleigh, Lord. *See* Cecil,  
     William.  
 Burt, Mr, 258.

## C

Cabot, John and Sebastian,  
     102 *sq.*  
 Calais, Staple town, 95.  
 Canals, 165 *sqq.*;  
 —, Grand Trunk, 167.  
 Cape of Good Hope, 100 *sq.*  
 Capital, 17 *sq.*, 284 *sqq.*  
     *See also under* Labour.  
*Capital*, 260.  
 Carron Works, 157.  
 Cartwright, invention of  
     power loom, 162.  
 Cecil, William (Lord Bur-  
     leigh, 111, 128.  
 Chadwick, Edwin, 298 *sqq.*  
 Chalmers, 238.  
*Charlotte Dundas*, 278.  
 Chartered Companies, Rise  
     of, 132.  
 Church, Catholic, 36 *sq.*;  
 —, attitude towards  
     usury, 40 *sq.*;  
 —, spiritual authority,  
     50;  
 —, Reformation, 108;  
 —, dissolution of monas-  
     teries, 123.  
 Citizenship, 307.  
 Coal, its use before Indus-  
     trial Revolution, 145 *sq.*;

Coal, steam pumps used for  
     mining of, 159;  
 —, effect on distribution  
     of population, 179;  
 —, mines, condition of  
     workers in, 213 *sqq.*;  
 —, Mines Act, 215;  
 —, Minimum Wage Act,  
     296 *sq.*  
 Coats, Ltd., Messrs J. P.,  
     282.  
 Cobden, Richard, 271.  
 Coinage, improvement under  
     Edward III., 73.  
 Cologne, Hanseatic town,  
     94.  
 Colonisation, 132.  
 Columbus, Christopher,  
     101 *sq.*  
 Combination Act, 193, 240,  
     242;  
 —, repeal of, 245.  
 Communication and Ex-  
     change, 20 *sq.*  
 Commutation of labour,  
     72 *sqq.*, 77 *sq.*, 80.  
 Constantinople, capture of,  
     99.  
 Co-operative Movement,  
     250 *sqq.*  
 Co-operative Wholesale  
     Society, 252.  
 Copyholders. *See* Cus-  
     tomary tenants.  
 Corn Law, of 1815, 269 *sqq.*;  
 —, Anti-Corn Law  
     League, 271;  
 —, repeal of Corn Laws,  
     272 *sq.*;  
 —, Corn Production Act  
     of 1917, 297.

Cottar or Bordar, 56, 58, 61,  
72, 78, 174.  
Cotton, industry in 17th  
century, 144;  
—, application of  
machinery to, 159.  
Covilham, 101.  
Craftgilds. *See* Gilds.  
Cranage, the brothers, 157.  
Crawshay, Richard, 181.  
Crompton, inventor of mule,  
160.  
Customary tenants, or copy-  
holders, 78 *sqq.*, 117.

## D

Danzig (Danske), exporta-  
tion of corn, 46.  
Darby, Abraham, 155 *sq.*  
Dartmoor, 269.  
Defoe, 143 *sq.*  
Desmesne, 56, 59, 78 *sq.*,  
116 *sq.*  
Devonshire, clothmaking in,  
89.  
Diaz, Bartholomew, 100 *sq.*  
Domestic system of industry,  
27, 89 *sq.*, 184, 188.  
Dorset Labourers, The, 247.  
Drake, Sir Francis, 104.

## E

*Economic History*, by Pro-  
fessor Ashley, 39.  
Education, 299 *sqq.*  
—, laissez faire in, 300;  
—, State encouragement  
of, 301;  
—, State provision of,  
302 *sq.*

Elizabeth, Queen, expulsion  
of Hanse League, 99;  
—, supports merchants  
against Spain, 104;  
—, Mercantile system, 110;  
—, shipping, 111 *sq.*;  
—, cloth industry, 112;  
—, monopolies, 112 *sq.*;  
—, apprentices and wages,  
114 *sq.*;  
—, continuance of policy  
under Stuarts, 128.  
Ellis, Havelock, 231.  
Enclosures, in 15th and  
16th centuries, 116 *sqq.*;  
—, in 18th and 19th  
centuries, 172 *sqq.*  
English Sewing Cotton Co.,  
Ltd., 282.  
Engrossing, 39, 94.  
Essex, clothmaking in, 89.  
Exchange, 20 *sqq.*

## F

Fabian Society, 260.  
Factories, 190.  
Factory Acts, 205 *sq.*, 210  
*sqq.*, 289, 292 *sq.*, 296, 300.  
Fairs, 64 *sq.*  
Famine, in Middle Ages, 45.  
Farmer (Fermor or Firmor),  
79 *sq.*  
Fire, the Great, 47, 141.  
Fisher Education Act, 302.  
Fishmongers, the Worship-  
ful Company of, 87.  
Fitzherbert, 80, 121.  
Fitzstephen, 46.  
Flanders, manufacturing  
centre, 92 *sq.*, 98; .

Flanders, emigrants from, 96, 112.  
 Forestalling, 39, 94.  
 Forster Education Act, 302.  
 Forth and Clyde Canal, 279.  
 Fraternal Government, 303.  
 Free tenants. *See* Yeomen.  
 Free Trade, 267, 270, 272 sq.  
 French Revolution, 219.  
 Frobisher, 103.  
 Fulling Mills, 114.  
 Fund-holders, 60 sqq., 70.

## G

Gaskell, 185 sq.  
 Gaunt, John of, 306.  
 Genoa, 92, 105.  
 Germany, trading cities of south, 91 sqq., 100;  
 —, Hanseatic League, 94;  
 —, Protection, theories of, 265 sq.  
 Ghent, 93.  
 Gilbert's Act, 224.  
 Guild's Craft, 66;  
 —, policy and organisation, 67 sqq.;  
 —, social life, 69;  
 —, end of, 71;  
 —, rise of middlemen, 81 sq.;  
 —, liverymen, 83;  
 —, journeymen, 83 sqq.;  
 —, beginning of government control, 86, 113 sq.;  
 —, loss of religious funds, 86 sq.;  
 —, subsequent history, 87 sq.;  
 —, jealousy of aliens, 90, 97;

Gilds, break down of old controls, 113;  
 —, attempted revival under Charles II., 130.  
 Grand National Consolidated Trades Union, 247 sq.  
*Great Society, The.* *See* Wallas, Professor Graham.

## H

Hakluyt, 102 sq.  
 Halifax, 89.  
 Hammond, Mr and Mrs, 274.  
 Handicraft system of industry, 26, 65, 70.  
 Hansa or Hanseatic League, 94;  
 —, rivalry of Merchant Adventurers, 97 sq.;  
 —, expulsion by Elizabeth, 99.  
 Hardie, Keir, 260.  
 Hargreaves, invention of Spinning Jenny, 160.  
 Heriot, 57.  
 Hood, Thomas, 294.  
 Hosting, 94 sq.  
 Household system of industry, 26, 65.  
 Housing problem, 183, 232 sq.  
 Hudson and Co., Ltd., R. S., 282.  
 Hyndman, 260.

## I

Independent Labour Party, 260.  
 Indies, West, 102.  
 Industrial Unionism, 258.



International relations,  
306 *sq.*  
Iron, smelting with charcoal,  
145;  
—, smelting with coke,  
156;  
—, production of mal-  
leable iron with coke, 157.  
Italy, mercantile cities, 92,  
100, 105.

J

Jews, as usurers, 41.  
Joint Stock Companies,  
beginnings of, 136.  
Journeymen, 68;  
—, Gilds, 82 *sq.*

K

Kay, invention of Flying  
Shuttle, 160.  
King, Gregory, 142 *sq.*

L

Labour, Division of, 18 *sqq.*;  
—, international division  
of, 263 *sqq.*;  
—, its conflict with  
capital, 186 *sqq.*, 304 *sqq.*;  
—, its class consciousness,  
189 *sqq.*  
Labourers, Ordinance of,  
76;  
—, Statute of, 76 *sq.*;  
—, Justices of, 77, 114.  
Laissez Faire, 271, 288 *sqq.*;  
—, towards education,  
300 *sq.*  
Leaseholder, 59, 79 *sq.*, 117,  
120.  
Levant, 92.

Lever Bros., Ltd., 282.  
Lincoln, 31.  
List, Friedrich, 265.  
Livery Companies, 87;  
—, the Organisation of  
the Liverymen, 83.  
Local Government, in 18th  
century, 146 *sqq.*;  
—, Act, 236;  
—, Board, 235.  
London, boundaries in  
Middle Ages, 30;  
—, danger of fire, 46;  
—, Stow's Survey of, 46,  
48, 69, 112;  
—, plague, 47;  
—, population, 62;  
—, names of streets, 66;  
—, Peasants' Revolt, 77  
*sq.*;  
—, Dick Whittington, 82;  
—, master saddlers, 84,  
86;  
—, Livery Companies, 87;  
—, Italian financiers, 92;  
—, Hanseatic settlement,  
94;  
—, centre for North  
European trade, 105;  
—, poor relief, 124;  
—, Fire of, 141.  
Lübeck, Hanseatic town,  
93 *sq.*

M

Macadam, 89, 164.  
McCulloch, 273.  
Macdonald, Mr, 258.  
Malthus, 182.  
Manchester and Liverpool  
Railway, 277 *sq.*

Manor, The, 52;  
 —, houses, 53;  
 —, three-field system,  
   53 *sqq.*;  
 —, serfs, 56;  
 —, court, 57;  
 —, custom, 58;  
 —, yeomen, 58 *sq.*;  
 —, specialists, 59 *sq.*;  
 —, charters to towns, 63;  
 —, end of, 71 *sqq.*;  
 —, free tenants, 78 *sqq.*;  
 —, ejection of tenants,  
   81, 117;  
 —, rent raising, 120.  
 Markets, 64 *sq.*  
 Marx, Karl, 260.  
 Mediterranean, centre of  
   commerce, 92;  
 —, piracy in, 100;  
 —, change in trade routes,  
   105.  
 Mercantile System, shipping  
   109 *sqq.*;  
 —, industries, 112;  
 —, social conditions, 113  
   *sqq.*;  
 —, Navigation Acts, 133;  
 —, attacked by Adam  
   Smith, 198;  
 —, discredited after loss  
   of colonies, 200;  
 —, corn production, 267.  
 Merchant Adventurers, The  
   Company of, rise of, 97;  
 —, hostility of Hanse  
   League, 98;  
 —, support of Elizabeth,  
   99.  
 Merchants of the Staple.  
   *See* Staplers.

Merchant Tailors' School,  
   69.  
 Middlemen, rise of, 81.  
 Mill, J. S., 216.  
 Mineral and Battery Works,  
   111.  
 Miners' Federation, 261.  
 Mines Royal, 111.  
 Monopolies, 112 *sq.*

## N

Napoleon, 283.  
 National Association for the  
   Protection of Labour, 247.  
 National Union of Railway-  
   men, 258, 261.  
 Navigation Acts,  
 —, of 1381, 110 *sq.*;  
 —, of 1651, 133;  
 —, of 1660, 134.  
 Newcomen, fire engine, 158.  
 New Lanark, 207 *sqq.*  
 Norfolk, clothmaking in, 89.  
 Norwich, 31.  
 Novgorod, Hanseatic settle-  
   ment, 94.

## O

Oastler, Richard, 211.  
 Old Lady of Threadneedle  
   Street, The, 140.  
 Open Fields. *See* Three-  
   Field system.  
 Outworkers, 294 *sq.*  
 Owen, Robert, 207 *sqq.*, 246.

## P

Pavia, 101.  
 Pears, Ltd., A. and F., 282.  
 Peasants' Revolt, 77 *sq.*, 117.  
 Peel, Sir Robert, 272.

Penkethman, 45.  
*Phoenix, The*, 279.  
 Piepowder, The Court of, 65.  
 Place, Francis, 243.  
 Plague, The Great, 47.  
 Political Economy, 196,  
 216 *sq.*  
 Poor Law, Statute of 1601,  
 124 *sqq.*;  
 —, Royal Commission,  
 220 *sqq.*, 226;  
 —, Unions, 224;  
 —, Amendment Act, 227;  
 —, Commissioners, 228;  
 —, Guardians, 228;  
 —, Board, 229;  
 —, and price of wheat, 268;  
 —, public service, 297 *sq.*  
 Poor Relief, in Middle Ages,  
 123.  
 Population, in Middle Ages,  
 30, 62;  
 —, Gregory King's esti-  
 mate, 143;  
 —, redistribution of, 179,  
 181;  
 —, increase in, 182;  
 —, Malthus on, 182.  
 Portugal, 100 *sqq.*, 105, 110.  
 Powle's Church, 46.  
 Precariæ. *See* Boon Work.  
 Privy Council, paternalism,  
 107, 109, 146, 290 *sq.*;  
 —, decline in power, 129;  
 —, education, 301.  
 Prussia (Pruse), 46.  
 Public Health, 229 *sqq.*, 298;  
 —, Acts, 234 *sq.*, 299, 303.  
 Puritans, economics and  
 religion, philosophy of,  
 129 *sq.*

## Q

Quarterly Review, 278.

## R

Railways, 168, 275 *sqq.*  
 Reform Act of 1867, Par-  
 liamentary, 255, 258.  
 Reform Bill of 1832, 219 *sq.*;  
 —, result, 271.  
 Regrating, 39, 94.  
 Relief, 57.  
 Ricardo, David, 270.  
 Richard II., 78.  
 Roads, condition in 17th  
 and 18th centuries, 150  
*sqq.*;  
 —, Turnpike trusts, 153  
*sqq.*;  
 —, Telford and Macadam,  
 164 *sq.*  
 Rochdale Pioneers, 250 *sqq.*  
 Roebuck, Dr, founds Carron  
 Works, 157;  
 —, death of, 159.  
 Ruskin, 196, 199, 216.  
 Russia, 103 *sq.*

## S

Saint Erkenwald's Shrine,  
 46.  
 Saint Giles's Fair, Oxford,  
 64.  
 Saint Vedast, Church of,  
 84.  
 Sanitary District Councils,  
 235.  
 Sanitation. *See* Public  
 Health.  
*Savannah*, 279.  
 School Board, 302.

Serfs, 56 *sqq.*, 122.  
 Shaftesbury, Lord, 211, 213.  
 Shaw, Bernard, 260.  
 Sheep farming. *See* Agrarian Revolution.  
 Sheffield, 146;  
 —, outrage on 'blackleg' worker, 254.  
 Shipping, Navigation Acts, 110 *sq.*;  
 —, in 17th century, 130 *sqq.*  
 Smith, Adam, 196 *sqq.*, 291.  
 Smithfield, 30, 78.  
 Social Democratic Federation, 260.  
 Socialism, 260 *sqq.*  
 Somersetshire, clothmaking in, 89.  
*Song of a Shirt*, 294.  
 Southampton, 94.  
 South Sea Bubble, 137.  
 Spain, 101 *sq.*, 104, 110.  
 Spandau Fortress, 134.  
 Specialists on Manor, 59.  
 Speenhamland, 224 *sq.*  
 Squatters, 174 *sq.*  
 Staplers, or Merchants of the Staple, 95, 97.  
 Steamships, 278 *sqq.*  
 Steelyard, 94, 99.  
 Stephenson, George, 275 *sq.*  
 Stockton and Darlington Railway, 276 *sq.*  
 Stourbridge Fair, 64.  
 Stow, John, *Survey of London*, 46, 48, 69, 112.  
 Suffolk, clothmaking in, 89.  
 Sweating System, 295.  
 Syndicalism, 247.

## T

Telford, 164 *sq.*  
 Three-field system, 53 *sqq.*, 117, 121 *sq.*, 268.  
 Tower of London, 30.  
 Townshend, Lord, 168 *sqq.*  
 Trade Boards Act, 295 *sqq.*  
 Trade Unions, 192, 253 *sqq.*;  
 —, among unskilled workers, 257;  
 —, Acts of Parliament, 255.  
 Trevithick, 275.  
 Truck Acts, 293.  
 Trusts, 281 *sqq.*  
 Turks, capture of Constantinople, 99 *sq.*;  
 —, alliance with Italians, 105.  
 Tyler, Wat, 78.

## U

Usury, 40 *sq.*;  
 —, Act of Parliament, 42.  
 Utilitarianism, 230.

## V

Venice, 92, *sq.*, 97, 105.  
 •Villain, 56, 58, 78.  
 Vinolia Co., Ltd., 282.

## W

Wages, in London, under Edward I., 38;  
 —, Ordinance of Labourers, 76;  
 —, Statute of Labourers, 77;  
 —, Justices of Labourers, 77, 114;  
 —, Elizabethan regulation, 114 *sqq.*

- Wages, fixing by competition, 129;  
 —, under domestic system, 184;  
 —, under factory system, 185;  
 —, fixing by J.P.s, demanded by trade societies, 241;  
 —, Statute of Elizabeth repealed, 242, 295;  
 —, Minimum Wage, 295 *sqq.*  
 Wagner, Adolf, 265 *sq.*  
 Wallas, Professor Graham, *The Great Society*, 15 *sq.*  
 Wall-Paper Manufactures, Ltd., 282.  
 Wardens of Gilds, 67 *sq.*  
 Watt, James, inventor of steam engine, 158.  
 Weavers' Act, 114.  
 Webb, Sidney, 260;  
 —, and Mrs Webb, 249.  
 Whittington, Dick, 82.  
 Willoughby, 103.  
 Wiltshire, clothmaking in, 89.  
 Winchester, population in Middle Ages, 30;  
 —, Fair, 64;  
 —, Statute of, 43 *sq.*  
 Withernam, 34;  
 —, made illegal, 35.  
 Workhouse, 221 *sqq.*, 226.  
 —, Test Act, 222.  
 Workshop of the World, 283 *sq.*, 287.  
 Wren, Sir Christopher, 141 *sq.*  
 Wycliffe, 77.
- Y
- Yeomen, or Free tenants, 58 *sq.*;  
 —, after Black Death, 78 *sq.*;  
 —, Gilds. *See* Journey-men;  
 —, passing of, 175.  
 York, population in Middle Ages, 30 *sq.*, 62.  
 Yorkshire, moors, 31;  
 —, clothmaking in, 32;  
 —, Statute of 1555, 89.  
 Young, Arthur, 168 *sqq.*  
 Ypres, 93.

## SUGGESTIONS FOR MORE ADVANCED READING

THE following list of books does not pretend to be a complete bibliography of the subject with which it deals. Nor does it include any of those elementary text-books on English Economic History as a whole, which cover, generally, the same ground as *The Industrial State*. It attempts rather, to indicate some of the many lines along which an enterprising reader may begin his pursuit of knowledge, if he cares to study the economic history of England with the thoroughness which that subject deserves. The works marked with an asterisk are those which the author most urgently recommends to readers, and which she herself has followed most closely in the course of the foregoing narrative.

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